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The Nation's Business

Mr. Bennett Learns How Public Opinion Crystallizes

Experience With Turnover Tax

The Appointment to Washington

PUBLIC OPINION AND MR. BENNETT

MR. BENNETT has recently had a forcible example of the power and influence of informed public opinion. When he was faced with the practical problem of rearranging the federal finances in order to find new revenue sources to fill in the gaps that will necessarily remain, even after expenditures have been slashed to the bone, Mr. Bennett quietly investigated the turnover tax as a possible new source of revenue. There is good reason to believe that had there been no public discussion on the matter that the turnover tax would have been grafted on to our tax system. Mr. Bennett did not himself reveal his ideas. He cares little for public opinion and professes not to be influenced by newspaper comment. He is known to find newspaper reporting of his activities objectionable. The practice, indulged in by many statesmen and politicians, of feeling out the public reaction before entering upon a course of conduct finds no place in Mr. Bennett's methods of governing. He is not always circumspect, even in the matter of feeling out his own cabinet before taking action. Thus no one but his most intimate associates know how close he may or may not have come to deciding to introduce a turnover tax.

* * *

FOUR months ago The Financial Post gave the Canadian business public its first intimation that the turnover tax was on the cards. Certain newspapers, taking the cue, spoke of The Post's articles as "inspired." They were not inspired by Mr. Bennett, who was not seeking expressions of the business viewpoint on the subject. But whether Mr. Bennett did or did not want an expression of that viewpoint he got it. Within a few weeks, every newspaper in Canada was discussing the turnover tax and this discussion soon broadened out to bring in the opinions of associations of manufacturers, wholesalers, retailers and other business groups. The public got an idea of what the turnover tax was and nearly everybody in Canada formed some opinion about it. These opinions began to crystallize and it soon became apparent that the turnover tax was a generally unpopular idea. But the fundamental soundness of an informed public opinion asserted itself at the same time. There was a general disposition to recognize that some sort of new revenue - producing machinery was necessary. And showing a willingness to recognize this the business men began to express their views on how the lost revenue could be regained and the sales tax was found to have many friends.

* * *

MR. BENNETT would never have known how the business world felt about the turnover tax or the sales tax if this discussion had not ranged far and wide, from coast to coast, on public platforms, in business meetings and in the columns of the public press. Whatever action he now takes can be based by him on some appreciation of what the business world wants—or thinks it wants. Whether or not the prime minister has relished this wide open discussion is something on which we are not in a position to express an opinion. When the editor of Hardware and Metal sent him some clippings of articles on the turnover tax, Mr. Bennett acknowledged them and expressed his interest in them. When, however, the same journal, as a service to the premier, sent him copies of resolutions disapproving the tax Mr. Bennett was annoyed.

In any event, latest word from Ottawa's Hall of Secrets is that the turnover tax is not likely to be introduced but that the sales tax will go up to four or five per cent. The majority of the cabinet are said to have swung around to a stand for the sales tax. What action will finally be taken cannot be forecast. As strong an individualist as the prime minister may—if he is convinced of the merit of his original purpose—decide to come back to it and stick to it.

* * *

THE lesson of the turnover tax discussion is the value of sizing up the public viewpoint in advance of radical action. Ability to do this is not Mr. Bennett's strong forte. But the public discussion on the turnover tax, launched by The Financial Post's original forecast of his plans, must have shown him that closer contact with the public—and this involves necessarily more intimate and friendly relations with newspapermen—is of value in promoting public understanding of the problems of our political leaders and in enabling a government leader to shape public policies to public understanding.

* * *

MR. HERRIDGE AND A BIG JOB

TO WASHINGTON, Mr. Bennett is sending a man who is virtually a stranger to the rank and file of Canadian people but a man whose influence and personality have been recognized by many people who have had reason to confer with or watch closely the prime minister, since he took office last August. The designation of Mr. Herridge as the prime minister's "Colonel House" is not an inaccurate one. There is no doubt that Mr. Bennett has leaned heavily upon the man who will now represent us in the United States. The public has little ability to know what is Mr. Herridge's fundamental poli-

(Continued on page 2, col. 5)

DOMINION TAR CHEMICAL UNIT FOR NEW NEED

To Manufacture Phenol for First Time in Canada

COMPLETED IN JUNE

Marks Important Step in Expansion of Company's Industrial Chemical Division

From Our Own Correspondent

MONTREAL.—Dominion Tar & Chemical Co. is constructing a $250,000 plant in Toronto for the manufacture of phenol and allied products. The plant is expected to be in operation by June; its completion will mark the first production of phenol on a commercial scale in Canada. The new unit will adjoin the existing tar distilling plants of Dominion Tar in Toronto.

Phenol is a chemical which is largely used in the manufacture of resins which form the base of bakelite. At present phenol requirements are imported into Canada from the United States and England; output of Dominion Tar's new plant will be protected to some extent by a tariff.

Has Diversified Uses

While a ready market is anticipated in the bakelite industry in Canada there are several other industries which utilize phenol in a lesser degree. The chemical is used by some silk companies, oil companies, and it plays an important part in flotation processes in the mining industry.

Manufacture of bakelite, however, makes considerable demands on phenol and Dominion Tar is naturally watching the development of that product. The growth of uses for bakelite has been rapid in recent years; while those controlling the rights to the process foresee further extensions in the future. Large sums have been spent by Bakelite Corp. in the past on development work; plans call for expenditure of over half a million in research work in the United States during the current year.

Is First in Canada

Dominion Tar's new chemical plant marks an important step in the progress of industrial chemistry in Canada. Besides phenol, output will include ortho cresol, meta-para cresol, cresylic acid and various high boiling acids. In addition to diversifying the company's present activities it will provide another outlet for existing tar production.

Dominion Tar has completed plans for manufacture and distribution of another product hitherto not made in Canada. This is under-floor electrical ducts which are now being turned out by Fibre Conduits, Canada, a subsidiary.

Supplies Utility Companies

This company was organized in 1929 to manufacture heavy fibre conduits and accessories which are distributed to power and public utilities companies. Production of underfloor ducts will fit in well with current output.

While Dominion Tar is extending the scope of its operations it is also consolidating its corporate structure by acquisition of additional shares and minority interests in subsidiary companies. Its holdings in Al-

(Continued on page 2, col. 3)

Minnesota & Ontario Gets Working Capital

Receivers of Minnesota & Ontario Paper Co. have been granted permission to raise $635,000 necessary for working capital to pay wages and other operating expenses of the company under receivership. Funds will be raised by an issue of 6 per cent receivers' certificates, payable in six months, which will be sold to International Lumber Co.

The certificates will have priority over all unsecured indebtedness of the company, according to court order, but are subordinate to all bonds and coupons secured under the first mortgage dated April 5, 1925. The plant of the company is now operating under the jurisdiction of the receivers, E. W. Backus, E. W. Decker and C. R. Fowler.

ABITIBI POWER HAS NEW PLANS FOR FAR NORTH

T. & N. O. Chairman Says Other Power Projects Will Follow Canyon

CORAL RAPIDS NEXT

Provincial Railway Will Reach James Bay This Year—Capital to Follow

George W. Lee, chairman of the Temiskaming Ontario Railway Commission, states that he has been informed by the president of Abitibi Power & Paper Co. that as soon as the present $23,000,000 power development at Abitibi Canyon is completed his company will begin the development of additional power. The company is spending $30,000,000 altogether in development on the Abitibi River.

When the present development of 275,000 power is finished at Abitibi Canyon by October 1, 1932, Abitibi Power will have developed altogether 500,100 horsepower divided as follows:

	h.p.
Abitibi River:	
Abitibi Canyon (a)	275,000
Island Falls	60,000
Iroquois Falls	25,000
Twin Falls	30,000
	390,000
Elsewhere:	
Smooth Rock Falls	9,500
Sturgeon Falls	20,000
Espanola	20,000
Kaministiquia	35,000
Sault Ste. Marie	17,000
Murray Bay	8,600
Total	500,100

(a) Under construction.

Mr. Lee's statement that Abitibi Power & Paper Co. will begin further development work on Abitibi River as soon as the present development is completed draws attention to the fact that the company can develop almost 100,000 horsepower at Abitibi Canyon over and above the 275,000 horsepower which it is intended to have ready by October 1, 1932. It already has a certain market for 85,000 horsepower with Ontario Hydro-Electric Commission, in-

(Continued on page 2, col. 4)

Gatineau Power Expected To Issue Additional Bonds

From Our Own Correspondent

MONTREAL. — Gatineau Power Co., subsidiary of Canadian Hydro-Electric Corp., which in turn forms part of International Hydro-Electric System, will shortly carry out new financing to the extent of $8,000,000 or $9,000,000 of bonds or debentures. No details are available as to the form of security, coupon rate, or terms of offering to the public. Harris, Forbes and Co. will head the syndicate of bankers underwriting the issue.

The last financing carried out by Gatineau Power was in October, 1928, when $7,900,000 of the first mortgage bonds were publicly offered by Harris, Forbes and Co. and syndicate, at a price of 97¼. At present the company has a funded debt of $62,741,500 of first mortgage bonds; $11,732,500 of 6 per cent debentures; and $7,500,000 of 6 per cent debentures, series "B." In addition there are outstanding $25,000,000 of 6 per cent cumulative preferred and 500,000 shares of no par value common stock, both of which issues are owned by Canadian Hydro-Electric.

Gatineau Power is the principal operating subsidiary of Canadian Hydro-Electric. In turn it controls the Saint John River Power Co., Gatineau Electric Light Co., etc. At present the company is installing another 34,000 h.p. unit in the Paugan plant, which will bring the installation in all plants up to 470,000 h.p. A large share of the output is sold on long-term contracts to the Ontario Hydro-Electric Power Commission.

No financial statement is published by the company, earnings being consolidated with that of the parent company.

Stock Markets Uncertain; Traders Differ Sharply

Despite a number of encouraging world events such as the subscription three time over of $1,400,000,000 of United States treasury bonds at 3 3/8 per cent, the sale of $100,000,000 New York City bonds on a 4.25 per cent basis, the securing of political peace in India, the rise in silver, marked increase in buying for forward account from Great Britain and Europe and announcement of agreement in principle on the question of French and Italian naval construction, stock exchanges have continued in a reactionary phase for a week. There are so many other uncertain situations that forces making for confidence and for bearishness have met on stock exchanges with results which are yet indeterminate.

Followers of the stock market, who are studying the present reaction to get a line on the future, differ widely in their views. Some expect the present phase, with occasional flashes upward, to last more than a month and they are inclined to expect lower prices still before any sustained upward movement continues.

Even those who are long on stocks are disposed for the moment to be cautious, but they feel that slowly but surely the world's surplus of available credit is beginning to find its way back through many safe channels to its work of stimulating the world's production and business. Many commodities are nearer the liquidation point than is realized, say these commentators, and it would not surprise them if wholesale prices would soon begin to indicate that fact.

Wheat, coffee, cotton and sugar, however, still present problems which it will take years to work out satisfactorily, but business improvement may accompany even the early stages of effective plans for dealing with these situations. The opening of the New York Produce Exchange to future operations in Canadian wheat and other grain is expected to work increasingly in favor of Canada's position as a wheat exporter.

DURANT LOSS ON OPERATION IN PAST YEAR

Dividend Not in Danger Unless Conditions Become Worse

CONTRACT WILL HELP

Canadian Company Said to Be Negotiating For Another Car, as Well as Hudson and Essex

It is understood that the report of Durant Motors of Canada, which will be available in a fortnight, will show a loss on operations, after depreciation, for the year ended Dec. 31, 1930. The loss reported may be in excess of $100,000, compared with an operating profit before taxes of $401,379 for 1929, and $577,814 in 1928.

The 40-cents-per-share was continued through 1930 and it is expected that, unless conditions become very much worse, this rate will be continued throughout the present year. The report for 1929 showed the company to be in strong financial position, with cash and call loans in excess of $1,775,000. It is understood that the cash position has been maintained despite the difficult conditions in the motor industry in the last year.

No Stock in Deal

Announcement this week of the plans whereby Hudson and Essex automobiles would be manufactured in the Durant plant at Leaside (Toronto) does not mean that the Hudson company will acquire a stock interest in Durant of Canada. It will be simply a manufacturing contract.

The stock sold up to $11 on the report.

Durant of Canada also is reported to be negotiating for a contract to manufacture another line of cars not now made in Canada. These two lines, with the Durant line, would mean a production of about 30,000 units per year, it is understood, if and when production for these several cars reaches something like the average year in the industry.

There is talk of the Auburn car being made in an existing Canadian plant but, so far as can be learned, there are no negotiations between Auburn and Durant of Canada. By elimination, it would appear that Durant's other prospect is the Nash.

Is Result of Tariff

The prospect for tripling the normal output of the Durant plant at Leaside is a direct result of the changes in the tariff regulations. Importers of motor vehicles from the United States are limited to a discount of 20 per cent from the retail list price in that country. Wholesalers in the past have imported cars on discounts considerably greater than 20 per cent, in most instances, and this, while giving a greater spread than prevails on the lower-priced cars of domestic manufacture, also reduced the amount of duty payable by importing distributors. The new regulations also prohibit absorption of the higher duties by the manufacturer in the United States.

Under the circumstances, it has been claimed that several United States manufacturers not operating branch plants in Canada would be compelled to withdraw from the Canadian market. The regulations apply to commercial cars, also. In behalf of Hudson-Essex it has been intimated that that company would not consider establishing a Canadian factory until it was possible to market 25,000 units annually in this country. The maximum number of Hudson and Essex cars sold in this country is said to have been 16,000 in 1929.

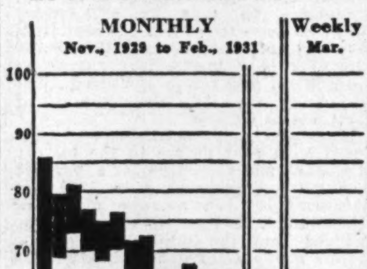
Kirkland Lake Gold Operating Profit $74,490

Annual report of the Kirkland Lake Gold Mining Co. for the year ended December 31, 1930, now being forwarded shareholders shows operating earnings of $74,490, as compared with a deficit of $77,142 last year.

The production was the best in the company's history, the recovery totalling $534,397 from a total of 52,106 tons of ore milled, or an average recovery of $10.24 per ton.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of March 10	56.9	54.3
Week of March 3	57.3	54.0
Month of March, 1930	76.8	68.0
8 Bank Stocks		
Week of March 10	250	247
Week of March 3	249	247
Month of March, 1930	265	258
10 Public Utilities		
Week of March 10	87	84
Week of March 3	86	83
Month of March, 1930	102	95

Changes Imminent in Corporate Tax

From Our Own Correspondent

OTTAWA.—Changes in the corporation income tax are rumored here, to be brought into effect when the Bennett budget is brought down.

The Government, it is believed, will remove the present duplication in taxation whereby corporations pay income tax on profits, and private individuals pay the tax on their dividends. It is believed that either the corporations will be exempted from the tax on dividends, or the shareholders will be allowed their earnings from corporations free of taxation.

At the same time the general rate of taxation on corporation profits will be increased, according to the present intention of the Government. The increase will not exceed 2 per cent.

MASSEY-HARRIS BOND INTEREST IS NOT EARNED

Report to Show Deficit After Depreciation and Changes

NAME NEW MANAGER

H. W. Burtsell Appointed; T. A. Russell is President; Internal Changes Are Mooted

Report of Massey-Harris Co. for the year ended Nov. 30, 1930, which will be available later this week, will show a substantial loss after bond and bank interest and depreciation, according to information from an unofficial source.

Working capital, it is understood, will show some decline from the previous year because it has been deemed expedient to set up liberal reserves against accounts receivable, and for foreign exchange, which has been adverse for some time.

Ratio is Down

Receivables are substantially higher than a year ago, it is understood, while, owing to prevailing conditions, it has been necessary to set up a proportionately larger reserve than in other recent years.

Bank loans are reported to be $7,000,000, so that the ratio of current assets to current liabilities, will be less than a year ago.

As at Nov. 30, 1929, Massey-Harris Co. had a working capital of $49,097,193. The ratio was 9.76 to 1, the current assets being $54,702,144 and the current liabilities, $5,604,951.

Income from operations for the year ended Nov. 30, 1929, were $4,740,915, excluding $127,091 income from sale of assets. After depreciation, bond interest, other interest, tax reserve and pension fund, net profit was $2,800,813, in place of the net deficit which will be shown after these items for the latest full year.

Appointments Announced

T. A. Russell, formerly vice-president, and acting president since the resignation of Thomas Bradshaw, has been appointed president, and H. W. Burtsell, has been appointed general manager. Following the annual meeting, Mr. Burtsell will be a director and vice-president as well as general manager.

The elevation of Mr. Russell to the presidency has been foreshadowed for some weeks and the negotiations which have led to the appointment of Mr. Burtsell as general manager have been known in financial circles for a similar time.

Burtsell Leaves for Europe

While Mr. Russell is one of the most prominent of Canadian financiers and manufacturers, Mr. Burtsell's career has been principally in the United States except for the period when he was head of McKinnon Industries, Ltd., prior to the sale of that organization to General Motors.

Mr. Burtsell has the reputation of Europe. It has been intimated that the primary object of the trip is a brief holiday, but it is understood that he will visit the company's plants in France and Germany as well as sales offices. He will return in April and will assume active direction of Massey-Harris at once. Mr. Russell, it is understood, will continue to devote considerable time to the Massey-Harris affairs, although the active operating executive will be Mr. Burtsell.

Internal Changes Mooted

Mr. Burstell has the reputation of being an executive of great ability and driving power, with a penchant for factory organization and a keen knowledge of sales. The belief is common that, as a result of Mr. Burtsell's joining the organization, there will be widespread and important changes in all branches of the business.

Still on the near side of 50, Mr. Burtsell is an executive who has come up through the ranks. He started as machinist's apprentice in the shops of Browne & Sharpe, Inc., at Providence, R.I. After some years he joined in the trek to the automobile industry, and at the time of his taking over control and management of McKinnon Industries, in 1920, he was factory manager for the Packard Motor Car Co.

Made McKinnon Profitable

McKinnon Industries was one of those old companies which had not been doing especially well. Mr. Burtsell revolutionized internal methods and introduced new lines. General Motors was one of his principal cus-

(Continued on page 3, col. 2)

GOODYEAR TIRE PROFIT STEADY IN FIRST HALF

To Date Year Promises at Least to Equal Results of Last

PROMISING FACTORS

Motor Car Activity Stimulated — India Boycott is Lifted—Replacement Business Grows in Canada

Goodyear Tire & Rubber Co. of Canada common stock, which went to an all-time high of 377 in 1929 and dropped to as low as 85 in 1930, has been improving in market valuation again lately. In the last week or two prices have oscillated between 103 and 109 and this on days of general market uncertainty in other stocks. There has not been a large volume of shares traded in as the stock is quite closely held and larger holders of the stock have been conspicuously absent from the market at the lower levels.

The stock has reached the comparatively low levels of the last year by reason of fears caused by the unsatisfactory experience of the industry in the United States, the falling off in automobile production and therefore in primary tire sales when new cars were sold and the uncertainty created by the dropping of crude rubber to levels under cost of production.

Year Goes Well

Yet the common stock paid, including bonuses, $6 a share in 1928, $10 a share in 1929 and $7.50 a share in the year ended September 30, 1930. Earnings in these years amounted to $16.57 in 1928, $21.94 in 1929 and $8.02 in 1930. The results in 1930 were after making extensive write-offs for depreciation, for possible bad debts and for raw material commitments.

In the first quarter of the new year 1930-31, C. H. Carlisle, president and general manager, told shareholders that the company maintained its relative position in the industry in total sales even though general trade conditions showed no improvement. Profits had exceeded those of the same quarter in 1929. The Financial Post is authoritatively informed that the improvement in the tire and automotive industry expected by the executive for the first quarter of 1931 is being realized. That means that Goodyear Tire & Rubber Co. of Canada is having in its first six months an experience up to and a little better than expectations. Hopes therefore are high that results for the year ending September 30, 1931, will be as good as those of the preceding year and possibly better.

Favoring Circumstances

There are some elements in the situation at present which are increasingly favorable to the company, and though none is in itself impor-

(Continued on page 2, col. 3)

Kingston Plant Dom. Textiles Bought by City

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. has sold its Kingston plant to the city of Kingston for $75,000. This unit has been closed since June, 1929, and equipment has been transferred to the plant of a subsidiary, Sherbrooke Cotton Co.

The city of Kingston will lease its newly acquired textile mill to Hield Bros., an English woollen and worsted manufacturing concern. Hield Bros. will pay an annual rental equal to 5 per cent of the purchase price and will retain an option to buy the plant during the next five years.

Dominion Textile Co. is making good progress in rehabilitation of its Ste. Ann's mill in Montreal which was damaged by fire. Operations at this unit have been recently conducted around 20 per cent of capacity, but it is expected that all repairs will have been effected by the end of this month.

Plant activities of the company are approximately at 70 per cent of capacity. The fiscal year closes March 31; no estimate of earnings has been published by the company.

Merger of Exchanges Appears More Remote

Merger of the Toronto Stock Exchange and the Standard Stock & Mining Exchange is not any nearer a fact than it was a week ago. In fact, if there was any enthusiasm for this step a week ago, it seems to have been dissipated.

While a number of members of both exchanges can see some advantages in a consolidation, the majority are not anxious and until there is a crying need for the move, from the point of view of members, the difficulties in the path of an agreement as to terms are likely to appear insurmountable.

It is understood that the move originated with the department of the attorney-general of Ontario, who had expressed the opinion that it would facilitate supervision if there were only one major exchange.

MILLERS STUDY PLAN TO FORM HOLDING UNIT

Co-operation of Effort is Keynote to Proposal

FLOUR EXPORT VITAL

Overproductive Capacity of Canadian Mills Causes Idle Plants and High Costs

From Our Own Correspondent

MONTREAL. — Recent reports that negotiations looking to a merger had occurred between leading flour milling companies of Canada, were premature. No formal meetings or negotiations have occurred, but for some months efforts have been made to find a solution to the difficulties which confront the milling industry; whether executives will agree to some definite form of co-ordination remains to be seen.

That a merger such as this should occur is advocated by A. H. Bailey, Canadian manager of the Northwestern Miller, who is attracted by the idea of "some sort of financial partnership of a co-operative nature among the larger Canadian companies within the circle of which they could preserve their separate identities and individual characteristics, subject only to the condition that each would come under a form of control that would eliminate the senseless selling practices of today." He suggests a holding company with common stock ownership.

Must Satisfy Many

It is probable that, even though no negotiations are proceeding for merger of the chief flour milling companies in Canada, something will result from the thought now being given to the subject. The idea of merger would be distasteful to some companies if the plan endangered the prestige which has been built up through many decades of Canadian history and minimized in any degree the individuality of the companies as shown by famous brands of flour, by their large organizations and their managements. Probably no large industry in Canada has retained such strong personal elements with one generation after another in the same family figuring prominently in its affairs. Agreement as to the relative values at which common shares of the various companies should be taken into a holding company would also be a difficult thing to accomplish, though not impossible.

Proponents of the plan think that a holding company might offer a partial answer to the vexed questions which are hampering operations and earnings of milling companies today. The claim has been advanced that a merger of milling properties would be a difficult accomplishment due to the strong individualities which have been built up in an industry which represents one of the oldest in Canada.

Might Achieve Co-operation

Through the medium of a holding company, it is pointed out, co-operation and its benefits might be

(Continued on page, 2, col. 6)

Canada by Next Year Will Have Over 8,000,000 Electric Horsepower

BILLIONS have been invested in hydro-electric power that Canadian industry may grow, that the city street may be lighted, the hamlet and the housewife served. Our national development and our individual comfort are promoted by the vision and skill which have created material assets of things which once in their untamed grandeur were emblematic of painful portages for the voyageur.

The Financial Post herewith publishes its annual review of hydro-electric and other public utility securities. These enterprises, serving every city and embracing many a remote community and northern enterprise, have been nearly always soundly conceived and financed. The progress of the utility companies and of the industry are set forth in detail on pages 17 to 40 and by chart, table and photographic illustration, the facts are vividly made available.

Estimating Canada's population at 10,000,000 persons, there is at present 62 hundredths of a horsepower of electric energy for every man, woman and child in the Dominion. By the end of next year, counting only projects now building, there will be eight-tenths of a horsepower per capita.

Investors in the past have benefitted greatly by this industry. What of the future? There is no doubt that there will be a growing demand for electric energy and for the other services which these and similar companies sell. The pages of The Financial Post supplement tell of the established companies and the projects in the making—the difficulties and problems as well as the advantages and the records of success—and study of the facts will give a broader understanding of these investments, these great Canadian undertakings.

SALES TAX GAINS FAVOR AT OTTAWA

Bennett Heeds Complaint of Business About Turnover Tax

AT LEAST 4 PER CENT

Fewer Exemptions Expected With Higher Rate—No Decision Made Yet

From Our Own Correspondent

OTTAWA.—Private and public communications to the Government from business men, in the past few weeks, have given pause to the proposal to repeal the sales tax and put in its place a turnover tax.

These representations have come to Ottawa in amazing volume, and there is, apparently, an extraordinary unanimity on the part of the business community in regard to how it shall be taxed. The business men, without exception, desire the Government to retain the sales tax, and to forget about the turnover tax.

Receipts Are Lower

It was learned on the highest authority last week, that the Government has been so impressed by these representations, that a halt has been called to the preparations for the turnover tax, and the whole problem is now being reconsidered. The basic facts are these: revenues, particularly customs receipts, are falling rapidly.

Expenditures, due to unemployment relief, pensions and National Railways deficits, are increasing. The Government, to balance the budget for next year, requires at least $100,000,000 of new revenue.

Business Men Active

As long ago as last December, the problem of balancing the budget was foreseen. On December 4, The Financial Post published the facts, pointing out that reorganization of the taxation system was inevitable. From that time on, the business men of Canada have taken an increasingly active part in the discussions. It was known that the Government planned to abolish the sales tax, now standing at 1 per cent, and apply a turnover tax.

The preparations for a turnover tax have gone so far that it is believed the legislation has been drafted. Now, however, the Government is reconsidering the question in the light of the fact that business men do not want a turnover tax, and would prefer a higher sales tax. To that end, the taxation experts of the finance department have been instructed to inform Mr. Bennett of the extent to which the sales tax would have to be increased in order to obtain the necessary revenue.

It is understood they will report

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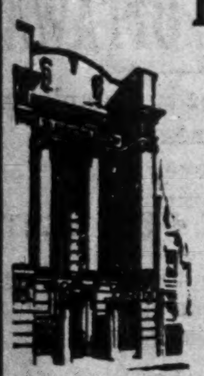

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REORGANIZATION OF MUN. BANKERS IS AGREED UPON

With 200 persons attending the adjourned meeting of Municipal Bankers Corp. bondholders of various classes at the King Edward Hotel on March 9, 1930, the recommendation of combined committee of 22 in favor of accepting the reorganization proposals was accepted.

These proposals are that bond and debenture holders of every class accept in exchange for their present holdings par for par general mortgage bonds of a new company, Municipal Bankers Corp. (1931), these bonds to bear interest at 2 per cent from March 15, 1931 to March 15, 1932, 4 per cent from the latter date to March 15, 1936, and 5 per cent from March 15, 1936, to maturity on March 15, 1946. As rates of old bonds run from 5¾ per cent to 7 per cent, it is of interest to note that the average rate on the new bonds to maturity would be 4-8/15 per cent.

It was also agreed that if additional earnings permitted, further interest payments to reimburse bondholders for drop in rate of interest would be made when, as and if earned. The interest due on the old bonds on March 15 will be paid, and then the 2 per cent rate will obtain for the following year. The new general mortgage bond issue will total $2,867,000.

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PSYCHO-GRAPHOLOGIST TO THE DOMINION GOVERNMENT

Insurance Inklings

M. F. DONOHUE has been appointed a city representative of the Dominion Life in London, Ont.

H. C. WEBBER has been appointed field assistant in the Vancouver branch office of the Mutual Life of Canada.

The $200,000 CLUB CONVENTION of the MANUFACTURERS LIFE in 1932 will be held at Edgewater Park, Miss., from February 29 to March 6, 1932, according to announcement just made by the company. In order to qualify for the trip the representative must pay for a minimum of $200,000 of business in the current year and renew at least 90 per cent of 1930 business. All second year lapses in excess of 10 per cent must be made up by equivalent increase in 1931 business or by re-instatement of the cases lapsed, prior to the termination of the club year. Conservation is thus made an important requirement.

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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
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BEAUHARNOIS TO DEVELOP MORE POWER

Metallurgical Industry Needs Make 500,000 H.P. Plan Inadequate

AHEAD OF SCHEDULE

Giving Employment to 6,000 Men in Spring—Assets $36,840,516

Application for the right to divert more water through the canal of Beauharnois Canal Corp. has been made in view of the fact that a successful issue to negotiations now proceeding for the establishing of a large metallurgical industry in the Beauharnois area depends on the immediate provision of an adequate supply of power. This announcement at the first annual meeting in Montreal on March 11 stated also that the surplus power from the 500,000-h.p. development now intended will be inadequate to provide for the needs of the new enterprise.

R. O. Sweezey, president, stated that about one-third of the construction work required for the initial 200,000-h.p. installation had been completed by the end of 1930. It should be completed before October 1, 1932.

The construction work chiefly involves the excavation and movement of earth and rock. Before the whole 500,000-h.p. project is ready there will have to be moved 71,600,000 cubic yards of earth and 1,200,000 cubic yards of rock. At the end of 1930 there had been moved 10,571,000 cubic yards of earth and 600,000 cubic yards of rock, which is roughly one-third of the earth necessary to complete the 200,000-h.p. installation and one-half the rock. The first four 50,000-h.p. waterwheels will be installed within the next two months.

The company will employ 3,000 men in the spring, and in its purchases up to $10,000,000 has been employing another 3,000 men in Canadian equipment plants. Many more will be employed indirectly as a result of these expenditures. Real estate of 28,000 acres, including valuable rights, on the St. Lawrence River, has been acquired for more than $5,000,000. Pay-roll disbursements in 1930 were $2,500,000. Securities deposited with Quebec Government and Ontario Hydro-Electric Commission to guarantee the carrying out of the company's obligations, have a value in excess of $1,000,000. Estimated cost of bridges, roads and railway diversions is $5,206,238. The bridges over the canal, which will be half a mile wide, will be built before water is admitted to the canal.

The consolidated balance sheet of the corporation and its subsidiaries shows total assets of $36,840,516 made up as follows: Properties, $28,768,816; equipment ordered but not delivered $4,117,035; securities on deposit, $1,021,385; investments, $200,168; cash and accounts receivable, $407,565; and securities and cash in escrow, $2,325,547.

Current liabilities are $923,481. The liability for undelivered equipment on December 31 was $4,117,035. Bonds total $30,000,000 and stock is shown at $1,800,000.

GOODYEAR TIRE PROFIT STEADY IN FIRST HALF

(Continued from page 1)

tant enough to make a great difference, the cumulative effect may be of value. For example, the higher duties against imported automobiles in so far as they throw production and buying to Canada to take the place of imported cars will help domestic manufacturers of tires and tubes. As many of the imported cars had tires of United States manufacture, greater sales of Canadian cars to replace these may help Goodyear and other Canadian manufacturers of tires to some extent.

It is in the replacement of tires, however, that most manufacturers have hoped to find an improving market. That did not prove as valuable in 1930 as expected but, though delayed, those who decide to hold the old car a year or two longer, have nevertheless to buy tires. That type of buying appears to be increasing.

There is hope to the tire industry in the news from India that Gandhi and Lord Irwin had come to terms which promised to end the boycott on British goods. While that boycott lasted no Canadian tires could be sold to India. Rubber goods may go in again unless some other turn in the political wheel changes the situation once more.

Canadian Industry is Sound

The situation is sounder in Canada for the tire industry than in the United States. The industry in the United States has been over-expanded and trade practices which have grown up under the stress of strenuous competition have made against profitable operation, only two large companies showing profits. In Canada the situation has been kept better in hand though prices, in spite of tariff protection, have been brought to a point where there is very little difference between United States' and Canada prices.

Inventory losses are not so likely as in past years. Goodyear Tire has obtained its rubber for a long period ahead at current low prices. It is generally conceded that even under present conditions of cost, crude rubber costs are 12 cents a pound. The plantation which is regarded as the most efficiently conducted in the world reports costs at 9½ cents a pound. The great majority of individuals and companies would find it difficult to keep costs down to 12 cents a pound, delivered. Goodyear has contracted for as much crude rubber at below cost as it thinks will be delivered. Some companies in the United States have contracted for supplies for years ahead at prices well under the cost price. If there comes a change of price in the meantime, their chances of getting the rubber will be slight.

The company is also well placed with regard to its cotton inventories.

Recent improvement in production and sales of new cars is an item that holds promise for the company.

Canners Advance Prices; Large Buyers Cautious

Refusal to Buy Ahead Makes Financing Difficult for Some Independent Packers—Price-Cutting Foreseen if Pool Fails

Earnings of Canadian Canners and other canning companies in 1931 will be considerably affected by the results of efforts made for some weeks to establish a single seller on behalf of a number of independent canning companies. Because these canners were receiving less than cost price on peas, tomatoes and corn, initial steps were taken for an increase by packers interested of 15 cents a dozen tins of peas, 10 cents a dozen tins of tomatoes and five cents a dozen tins of corn. Later a second increase of five cents a dozen tins was added to all three and another advance of from five to 10 cents a dozen tins this month would not be surprising. This action is made easier in view of the fact that some of the canners have disposed of all their 1930 packs.

While referring to these advances, The Canadian Grocer points out that final success of this canned food selling pool meets a snag in the disposition of large buyers to buy only for current requirements. They were nipped early in the season by buying at what seemed low prices only to find prices drop lower still later. So they are buying for current needs and not ahead.

This will make it difficult for some of the independent packers to secure the usual credits. A year ago they were able to go to the banks, present their orders and secure necessary loans to carry them through the season's operations. Without these advance orders the money may be hard to get.

Larger packers are understood to be against a quick increase in canned goods. If they sell at moderate prices they can prevent the price being boosted further by the selling pool. So far as the present pack is concerned, all have the same interest to see prices remain stable as a failure of the pool would result in another campaign of price-cutting with prices lower than ever.

Reducing 1931 Acreage

The situation will not carry over to another year. Packers are arranging with farmers to reduce acreage devoted to peas by 50 per cent, to tomatoes by 60 per cent and by corn to 83 per cent of operations in 1930. According to weather and crop conditions, this reduced acreage would produce either more or less of a crop than these figures would indicate. There will be a heavy holdover of peas and tomatoes so that any deficiencies in 1931 crop can be made up. It is hoped by these methods to stabilize conditions by the autumn of this year whatever happens in the meantime.

Canned peas have probably been the lowest in history in recent days. At 5 cents a tin for No. 2 peas large quanities have been sold.

Canners Builds B. C. Soup Plant

Canadian Canners, with nearly $8,000,000 in working capital, has no worries so far as credit extension is concerned. Its price situation will be governed in great part, however, by whatever happens in the trade. It is not connected with the selling pool, but would be benefitted if the latter's programme were successful. In the meantime it is pushing work on departments of its business where there is no overproduction. For example, the company is proceeding with extensive alterations to its Drake street, Vancouver, plant to permit manufacture of Aylmer soups to take care of all Western Canadian business. British Columbia alone consumes 100,000 cases of soups annually, 60 per cent being imported and the rest coming from Eastern Canada. The new Aylmer plant will commence operations as soon as fresh 1931 vegetables are available in British Columbia.

DOMINION TAR CHEMICAL UNIT FOR NEW NEED

(Continued from page 1)

berta Wood Preserving Co. now comprise 99.5 per cent and acquisition of additional stock in Canada Creosoting Co. last year brought the parent company's holdings up to over 91 per cent of the common stock outstanding.

Controls Calders Canada

In 1930 the company also obtained all the outstanding stock of Calders, (Canada) Ltd. which gave it control of a creosoting business at Sioux Lookout. During last year Dominion Tar spent over $825,000 on additions and improvements to existing plants together with erection of two new creosoting plants, one at New Westminster and one at Swift Current.

To cover this corporate expansion $1,500,000 of 6 per cent debentures were sold in 1930 and 4,350 preferred and 37,684 common shares were issued in exchange for additional holdings in subsidiary companies. Funded debt now totals $5,500,000. Preferred shares are outstanding to the extent of $5,445,700 and there are 310,382 common shares issued.

Earnings Were Satisfactory

Net earnings last year were higher than 1929, but owing to increased interest charges and preferred dividend requirements, common share earnings were $1.41 a share as opposed to $2.34 in 1929. Benefits of expansion carried out did not find full reflection in earnings.

One of the largest factors in operating operations of Dominion Tar is its creosoting division. The company now owns 13 plants located at different points across Canada and handles the major portion of business in this industry in the Dominion. Each of these plants is in close proximity to one of the company's tar distilling units of which 6 are operated.

Expanding Operating Scope

It is interesting to note, however, that gradual consolidation of its position in the creosoting industry is being followed by increasing expansion along other lines, dictated by the utilization of tar by-products.

Two subsidiaries, Alexander Murray & Co. and Canada Roof Products, are engaged in processing and marketing of roof products. Fibre Conduits Canada is making what its name implies, while the new plant in Toronto will manufacture a chemical for which there is presently a good demand.

ABITIBI POWER HAS NEW PLANS FOR FAR NORTH

(Continued from page 1)

creasing up to 100,000 horsepower in a few years, and it can use the balance in steam generation at Iroquois Falls mill. The saving in fuel costs will pay Abitibi for this portion of its undertaking, it is estimated, with a good margin for profit.

Abitibi Power & Paper Co. owns or controls all the sites in the 100-mile stretch from Abitibi Lake north to Abitibi Canyon. The new development will be served by the waters collected from a drainage area of 8,443 square miles. Abitibi, Frederick and Night Hawk Lakes form natural reservoirs for 85,000,000,000 cubic feet of water. The total head of water at Abitibi canyon is 240 feet and the sources of power may be noted from the fact that the rapids south of that site are as follows: Lobstick Rapids with a fall of 38.5 feet; Burntwood Rapids with a fall of 21,05 feet; Clay Rapids with a fall of 16 feet; Birch Rapids with a fall of 45 feet; Oil Can Rapids with a fall of 16 feet; Abitibi Canyon with a fall of 91.65 feet and a drop between rapids or 14.35 feet.

Power Demands May Grow

As has been shown Abitibi will develop 390,000 in this portion of the river north of Abitibi Canyon and can develop another 100,000 horsepower at Abitibi Canyon. Further development must be North, and the next site would probably be at Coral Rapids where the Otter gives a fall of 90 feet, Sextant a fall of 16 feet and Coral a fall of 18 feet, a total fall of 124 feet.

These further developments will naturally depend on the company seeing quick utilization of power already developed and developing. The opening of T. & N. O. to James Bay this year will open up a new region. Mr. Lee states that American and British capital is only awaiting completion of the line to invest. As the last cement for the piers of the Moose River bridge will be poured on March 28, the laying of the bridge will begin on April 1 and Ontario should be made effectively a Maritime province later in the year. James Bay, with its coast-line of 700 miles and 200 rivers flowing into it, has great potentialities in Mr. Lee's opinion. Each of these rivers, he says, is teeming with fish. Mineral and other resources, it is confidently hoped, will justify the extension to James Bay. This will mean new demands for power as well.

Abitibi is only one of the rivers in this new North capable of developing power.

NATION'S BUSINESS

(Continued from page 1)

tical philosophy or what is his actual understanding of business problems. Mr. Bennett undertakes the personal responsibility of the appointment; Mr. Herridge in turn undertakes the responsibility of handling the job with tact and ability and with an understanding of the business problems that now exist and will arise between the two countries. The public must await the result of the experiment, knowing so little of Mr. Herridge but having considerable faith in Mr. Bennett.

* * *

THE appointment has aroused a great deal of criticism. It may not be beside the point to recall that Mr. Massey's appointment also aroused much criticism. Yet Mr. Massey was, on the whole, a success—decidedly a success in a diplomatic way and, in the opinion of most business men, a success in the handling of the economic matters that came up during his holding of the office of minister to the United States. Of Mr. Herridge, the indictments are that he is a former Liberal; that he has never been in Parliament; that he has had no public political experience. The chief basis of such criticism is the very frank assumption that the Washington post is too juicy a political plum to be handed out except as a reward for very definite party service.

A good lawyer, business man or other type of individual can make a success of a job such as Mr. Herridge has undertaken without ever having had the experience of stumping a riding or fighting a battle in Parliament. Such experience in itself is neither an asset nor a liability. The experience required in a post that is at once diplomatic and economic—the ministership to Washington is both—is the experience of having met and faced business problems; of having learned how big jobs are studied and handled; of knowing where to go for the best advice and the best service; of having tact to handle delicate situations gracefully; of having knowledge to bring negotiations to a conclusion and of having a mind sufficiently agile to foresee problems before they become acute.

As a lawyer in the swirl of Ottawa affairs, Mr. Herridge has at least had opportunity to gain such experience.

MINERAL PRODUCTION $278,470,000 IN 1930

Reflecting the drop in metal prices and because of lower outputs for coal, asbestos, gypsum, clay products, cement and lime, Canada's mineral production in 1930 at $278,470,563 showed a decrease of 10.4 per cent from the 1929 record figure of $310,850,246 according to a preliminary report on the mineral production of Canada, just issued by the Dominion Bureau of Statistics at Ottawa.

More gold, copper and zinc were produced than ever before in the history of Canada and the output of silver and lead were greater than in 1929 but unfortunately the average prices of silver and the base metals were so reduced that the total value of the metals group amounted to $142,949,293 as against $154,454,056 in the previous year.

Petroleum Output Up

Fuels, consisting of coal, natural gas and crude petroleum, at $67,888,334 decreased nearly 12 per cent from the 1929 output of $76,787,397. Petroleum production was higher owing to the increase in Alberta; more natural gas was produced than in 1929 but the total value was slightly less. Coal output at 14,878,728 tons declined 15 per cent.

Non-metals production, other than fuels, at $15,227,689 was 27.8 per cent below the 1929 output. Asbestos production at 242,112 tons showed a falling off of 21 per cent; gypsum output was less also and salt production was lower but the value was slightly higher. Shipments of feldspar, quartz and mica were not as large as last year but natural sodium sulphate showed a marked increase.

DISHER STEEL EARNINGS DOWN FOR PAST YEAR

Working Capital is Maintained—Company Cancels Block of Preferred

Disher Steel Construction Co. net earnings in 1930 of $75,484 were equal to $3.98 on the $1.50 preferred stock as against $6.79 in 1929 and to $1.37 on no par value common stock as compared with $3.52 in 1929. The surplus of $30,720 raises the surplus from $80,151 to $110,871.

Working capital was a little down at $144,078. Current assets of $169,510 were 6.666 times current liabilities of $25,432, whereas at the end of 1929 current assets of $194,805 were 3.97 times current liabilities of $49,053. Cash is down from $55,182 to $33,190, accounts receivable is up from $67,819 to $73,830 and inventories are down from $71,804 to $62,490.

Depreciated value of fixed assets is shown at $143,022 as against $152,990 a year earlier. The amount added to depreciation write-off for the year was $19,400.

The company, which designs, manufactures and erects all types of steel structures, bought 2,000 shares of its Class "A" preferred stock and cancelled it in 1930.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930	1929
	$	$
Net earnings*	75,484	129,324
Less: Deprec.	19,400	18,598
Income tax res.	4,319	8,845
Net profit	51,765	101,881
Less: Divd. on pref.	21,045	†7,000
Reorgan. expense	......	5,074
Amt. w/o goodwill	......	79,813
Surplus for year	30,720	9,994
Add: Prev. surplus	80,151	82,886
Less: Adj. (prev. year)	......	12,709
Bal. carr. forward	110,871	80,151

*After deducting manufacturing costs, administration and other expenses.
†Paid on old stock since retired.

WORKING CAPITAL

	1930	1929
	$	$
Current assets	169,510	194,805
Current liabs.	25,432	49,053
Working capital	144,078	145,752
Ratio	6.66—1	3.97—1

MILLERS STUDY PLAN TO FORM HOLDING UNIT

(Continued from page 1)

achieved without disturbing too much the individualities of the separate concerns. The companies could retain their own identities, subject only to the condition that each would come under a form of control which would aim at elimination of current problems.

In the primary division of the milling companies' activities, namely the milling of flour, the problems are clear enough. Exports have fallen to a low figure resulting in a large over-production. The Northwestern Miller estimates there is a possible annual productive capacity of 40,000,000 barrels of flour in Canadian mills today, while domestic consumption does not require over 10,000,000 barrels a year.

Must Increase Exports

This difference can only be tolerated if exports absorb the major share of production, otherwise idle mills result and operating costs increase, for domestic consumption is fairly constant. The export market is not making the demands recorded in former years; thus new markets must be found or the manufacturing over-capacity must be reduced to allow a resumption of profitable operations in the milling industry.

The domestic market has attracted the attention of millers in recent years with a view to providing a wider outlet for their production. There has been a whoesale invasion of the baking field and the four big milling companies now control 96 bakeries producing over a third of the bread sold in the Dominion. Further, these bakeries sell over 90 per cent of the bread consumed in the localities they serve.

Competition is Keen

It is in this field, then, that one of the largest problems of the milling companies lies. Competition in some centres has become excessive, intensive sales campaigns, high distribution costs and innovations in wrapping and so forth have brought about high manufacturing costs and low profits.

The millers have found little solace to their troubles in the baking industry. Their investment in bakeries, as yet, has not yielded a high return. In some cases it has proved a drag on earnings of the parent company. Competition still persists at a high pitch; there is no indication of an immediate betterment in the situation.

Not Always The Remedy

To what extent a form of coordination would benefit millers cannot be estimated. Mergers, direct or indirect, have not always proved a panacea to the evils which arise from undue competition or overproduction. It has been pointed out, however, that the milling industry in Canada lies in the hands of four major producers and a plan to bring about a working agreement between these organizations could be implemented with less difficulty than in some other cases where mergers have been tried.

The four leading producers in Canada are Ogilvie Flour Mills Co., Maple Leaf Milling Co., Lake of the Woods Milling Co., and Western Canada Flour Mills Ltd. In 1929 flour mills in Canada operated at an average of 53 per cent of capacity; in 1930 operations were carried on at an average of 47 per cent of capacity. Decline in exports has been responsible for low rate of operations.

The millers cannot depend on the domestic market for their operations; if present proposals will lead to a definite and co-operative effort to increase exports much might be accomplished, it is claimed.

Making Toward Merger

Probably no period in the history of Canada has shown lower earnings for flour milling companies than this. There have been many critical periods in the past, particularly when the small local mills were being displaced by the large mills now meeting their own troubles. In recent years the difficulties of the latter have been accentuated by operations of the Canadian wheat pool which sold abroad on a basis more favorable to the foreign miller than the Canadian miller. Drops in wheat have led companies to take large losses on inventories, and in the last year when Canadian wheat was available on a basis which was favorable to the Canadian miller, foreign tariffs mounted to unprecedented heights.

Companies have tried to secure more of the domestic trade by buying shares of baking companies. Four big flour milling companies have acquired control of nearly 100 bakeries operating at various points from the Atlantic to the Pacific. They sell 34 per cent of the bread sold in the Dominion. There is intense competition and price-cutting in this field and flour prices have to be low. Merger in the flour field would eventually exert a powerful influence on the affairs of baking companies.

A Well-Organized Reference

"This will acknowledge receipt of The Financial Post Business Year Book of Canada and Newfoundland. A cursory examination of its contents convinces us that it is admirably compiled and affords the general reader a lucid and comprehensive insight into the salient factors with regard to Canada's economic position in the world. We are particularly impressed with the unique and descriptive form in which it is presented. The whole Year Book is well organized and should prove highly valuable as a practical source of reference for organizations generally." — Ohio Chamber of Commerce, Huntington Bank Bldg., Columbus, Ohio.

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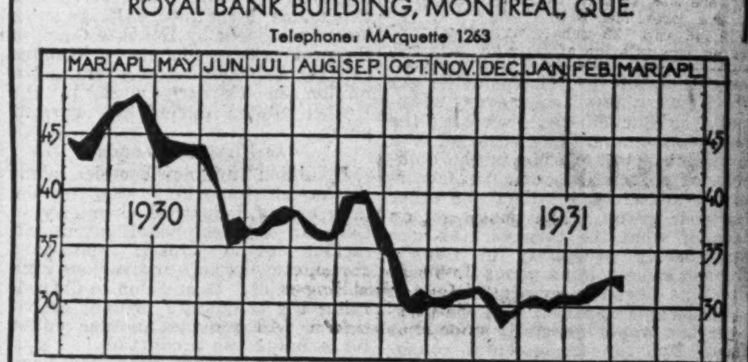

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FOUNDATION CO. SECURES CONTRACT FROM E. B. EDDY

Will Erect New Water Filtration Plant for Company

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has been successful in securing contract from the E. B. Eddy Co. for the erection of a new water filtration plant. This award is for approximately $250,000 and represents an initial step being undertaken in the rehabilitation of the Eddy newsprint and fine paper manufacturing facilities.

The building of the filtration plant is in line with requirements of the modern fine paper mills, for which a good supply of pure water is essential. The immediate capacity of the plant will be 36,000,000 gallons per day, which will take care of the present needs. The plant, however, is designed for an ultimate capacity of 60,000,000 gallons a day, approximately one third of which will be chemically treated and filtered and the balance screened.

To Rebuild Sulphite Mill

On completion of the filtration plant, it is expected that conditions will warrant the complete rebuilding and equipment of sulphite pulp mill, bleaching plant, and groundwood pulp mill. The intention is to properly consolidate the boiler capacities and to replace the present units by new and larger ones. Other improvements include the re-arrangement of wood storage and additional handling facilities, new wood rooms and pulp storage and handling equipment.

The final phases will be undertaken to provide for the installation of four new fine and specialty paper machines of the Fourdrinier type and one cylinder type machine. This installation will entail additional pulp-preparation equipment. To round out the programme, adequate finishings, converting and shipping facilities are planned, together with a new head office building.

In view of the experience of the Foundation Co. of Canada in this type of work, notably the James McLaren property, it is anticipated that the company will secure a substantial proportion of this development work.

Quebec Publication Covers 1929 Municipal Statistics

Municipal statistics for Quebec, covering the civil year 1929, have just been issued by the Quebec department of municipal affairs. The year book presents comprehensive series of tabular statements on area, population, new buildings, basis for imposition of municipal taxation, classification of land surface and finances for both rural and urban municipalities.

There are 1,296 rural municipalities in the province with population of 1,218,445 and 122 urban municipalities having a population of 1,810,173.

MASSEY-HARRIS BOND INTEREST IS NOT EARNED

(Continued from page 1)

tomers and in 1929 McKinnon Industries was bought by General Motors on a share-exchange basis.

Mr. Burtsell, meanwhile, had become interested elsewhere and in 1928 had been elected president of the Sargent Lock Co., one of the largest companies of its kind in the United States. A few weeks ago it was announced that he would be president and general manager of the Belleville-Sargent Lock Co. of Canada, a subsidiary of his United States company.

To what extent Mr. Burtsell's activities in behalf of Massey-Harris Co. will preclude his continuing in other offices has not been determined.

Mr. Russell on Many Boards

Mr. Russell's career, while also concerned with manufacturing, has been along financial rather than operating lines and it is on this account that the interests which control Massey-Harris Co. believe that the two new principal executives of the company will be able jointly to solve its problems.

Mr. Russell has the confidence of several important figures in Canadian finance, and through his associations has attained an impressive list of directorates. He organized, and is still the head of Russell Motor Car Co., which in recent years, through his astuteness, has become largely an investment company. Its principal operating subsidiary is Canada Cycle & Motor, and it also controls Canadian Acme Screw & Gear, while it owns about a third interest in Willys-Overland of Canada.

Mr. Russell, besides being president of Russell Motor and its affiliates, is president of Sawyer-Massey, and vice-president of Monarch Knitting. He is one of the more active of the directors of Canadian Bank of Commerce and of the Toronto General Trusts Corp. He also is on the board of Canada Cement Co., Mutual Life Assurance Co., Canadian Vickers, Canadian General Investment Trust and Canadian International Paper Co.

Mutual Relief Appoints New Secretary-Treasurer

New business issued and reviewed by the Mutual Relief Life Insurance Co. of Kingston, in January, amounted to $534,450.

Total business in force at the end of January now stands at $21,269,678, a gain of $226,255. During the month, death claims of $47,417, were paid.

The company announces the appointment of W. T. Fortye, as secretary-treasurer of the company. Mr. Fortye was with the Bank of Montreal until 1928, when he was appointed manager of the firm of F. W. Macdonald & Co., stock brokers. Subsequently he was with Hanson Brothers, Inc., in Toronto. Mr. Fortye succeeds J. N. Alexander, who was secretary-treasurer of the company until his death on February 4, 1931.

New Executives, Massey-Harris Co.

T. A. RUSSELL

H. W. BURTSELL

Mr. Russell has become president of Massey-Harris Co., a post he has occupied temporarily since the resignation of Thomas Bradshaw. Mr. Burtsell, the new general manager, comes to Massey-Harris with a record of success in the United States and with McKinnon Industries at St. Catharines and Buffalo.

Canadian Pacific Railway Covers Dividends in 1930

Preliminary Statement Shows Ordinary Dividends Met by Small Margin—Big Increase in Special Income Feature of Report

From Our Own Correspondent

MONTREAL.—Sharp increase in special income enabled the Canadian Pacific Railway fully to cover its dividend requirements in 1930. It had been apparent for some time past that with the decline in railway earnings, income from special sources would have to be substantially greater than in 1929 in order to permit the company to show its dividend fully earned.

Gross earnings from railway and lake steamers for the year were $180,900,804, as against $209,730,955 in 1929. Working expenses totalled $142,652,146, leaving net earnings from above sources at $38,248,658, compared to $43,144,544 in the preceding year.

Special Income Feature

Attention is directed to special income, which totalled $20,042,923 in 1930—a new high record. This was made up as follows: net revenue from investments and available resources $3,402,369; interest on deposits and dividends on other securities $6,689,324; net earnings ocean and coastal steamship lines, etc., $2,919,291, and net earnings commercial telegraphs, hotels, etc., $2,919,291. In view of the interest in this item, comparative figures are given for 1929, when special income totalled $15,232,220; net revenue from investments and available resources, $3,284,588; interest on deposits and interest and dividends on other securities, $4,119,150; net earnings ocean and coastal steamship lines, $3,219,638; and net earnings commercial telegraphs, hotels, etc., $4,608,844.

Aggregate income from all sources, 1930, accordingly, totalled $58,291,581, as against $58,376,764 in the preceding year. After taking care of fixed charges, pension fund and preferred dividends, the balance available for the ordinary stock was $33,376,093. This compares with $36,807,971 in 1929. Ordinary dividends increased from $30,750,000 to $33,242,907, leaving a balance in 1930 of $133,186, against $6,052,971 in the preceding year.

Comparative Income

Full details of the company's income account for 1930, together with comparative figures, follow:

	1930	1929	1928	1927
Gross earnings	$180,900,804	$209,730,956	$229,039,297	$201,145,751
Working exp.	142,652,146	166,586,411	177,344,845	166,630,180
Net earnings	38,248,658	43,144,544	51,694,452	39,515,571
Special inc.	20,042,923	15,232,200	12,677,683	11,876,650
Total inc.	58,291,381	58,376,764	64,372,136	51,392,131
Fixed charges	19,159,865	16,149,003	15,308,698	15,378,867
Surplus	39,131,716	42,227,761	49,063,437	36,013,264
Pension fund	750,000	750,000	750,000	600,000
Net revenue	38,381,716	41,477,761	48,313,437	35,413,264
Pfd. dividend	5,005,623	4,674,790	4,067,547	4,005,944
Balance	33,376,093	36,807,971	44,245,890	31,407,320
Ord. dividend	33,242,907	30,750,000	29,353,633	26,000,000
Net surplus	133,186	6,052,971	14,892,257	5,407,320

Ontario Stores Lose by Fire

Ontario's fire loss in January totalled $1,148,698 from 1,179 fires as compared with a loss of $1,198,696 from 1,182 fires in January, 1930, according to the report of the Ontario fire marshal just issued. The chief loss was in stores and amounted to $539,201, or $310,926 greater than in January, 1930. All other classes of risk showed a decrease in loss in comparison to the corresponding month in 1930.

Proposed Ontario Bill to Widen Lloyd's Scope

A bill to give Ontario insurance brokers wider powers in regard to placing business with Lloyd's of London, was presented in the Ontario legislature last week. The bill was sponsored by E. J. Murphy, and is understood to apply particularly to such forms as live stock insurance.

At present, because Lloyd's is not licensed under the Ontario Insurance Act, brokers cannot place certain types of insurance with them. As a result people seeking certain kinds of insurance covered only by this organization must place it with the head office directly, or through agents outside of Ontario.

F. N. BURT EARNS $3.19 ON COMMON IN HARDEST YEAR

Has Strong Balance Sheet Position — Working Capital Maintained

F. N. Burt Co., which manufactures paper boxes, paper novelties, folding cartons and mail tubes and cores, earned $3.19 a share on 107,280 shares of $25 par value in 1930 as compared with $4.66 on 106,940 shares in 1929. As it has done in every year since 1924 the company paid the regular $3 dividend but omitted the 50 cent bonus which was paid in 1929. The common stock has now paid dividends continuously ever since 1909.

Working capital at $1,241,832 compares with $1,262,525 at the end of 1929. Current assets of $1,500,268 were 5.81 times current liabilities of $258,436 while at the end of 1929 current assets of $1,697,642 were 3.90 times current liabilities of $435,117. The drop in current assets was evenly distributed through cash, accounts and bills receivable and inventories. Securities showed an increase from $12,774 to $19,515.

Liabilities Lower

The drop in current liabilities was accounted for by a decline in accounts payable from $213,893 to $117,903, by the decision not to pay a 50-cent bonus amounting to $53,470 and by a lower federal tax reserve at $58,883 as against $86,210 in the preceding year.

Investments in other companies, representing shares in Moore Corp., are increased from $100,632 to $362,562 as the result of the transfer on January 2, 1930, of the Canadian salesbook and form department for a stock interest in Moore Corp.

The company has still a balance of $100,000 coming to it on the sale price of the paper cup department to the Vortex Manufacturing Co. of Chicago. The amount was orginally $250,000, but it is being paid off by installments of $50,000 annually.

Real estate and buildings are shown with little change at $1,625,598 but machinery and equipment are shown at $2,255,755 as against $2,360,568 a year earlier. Depreciation reserve at $1,799,345 compares with $1,775,974 at the end of 1929. Patents, less amortization, were reduced during the year from $130,110 to $89,365.

Converting Preferred

The change in number of common shares was due to conversion by preferred stock which now stands on the balance sheet at $68,000, a drop of $8,500 in the year.

The president, S. J. Moore, states that competition in the paper box industry was keenest in the history of the company on account of general trade conditions. Lower selling prices and decreased volume resulted in reduced net profits though substantial economies were effected in all departments of the business. After such a test as 1930 gave it, the president feels the company is basically sound, and economies made should increase net profits when general business improves.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $	1928 $
Net earnings ...	592,660	785,288	789,843
Less: Deprec. ..	188,629	195,028	187,446
Fed. taxes ...	34,000	61,000	67,000
Writ. off pat.	23,222	25,725	25,609
Net profit	346,809	503,536	509,788
Less appropriations:			
Pref. div.	4,798	5,393	5,799
Com. div.	321,774	320,754	320,058
Com. bonus ..	......	53,470	......
Surplus for year	20,236	123,917	183,931
Add: Prev. surp	1,166,612	1,042,694	858,763
Bal. carr. for'd.	1,186,848	1,166,612	1,042,694

WORKING CAPITAL

	1930 $	1929 $
Current assets	1,500,269	1,697,642
Current liabilities	258,436	435,117
Working capital	1,241,833	1,262,525
Ratio	5.8—1	3.90—1

SALES TAX GAINS FAVOR AT OTTAWA

(Continued from page 1)

that a 4 per cent sales tax would be the minimum. As the sales tax now stands, a 4 per cent rate would yield between $60,000,000 and $80,000,000. This is not enough. But it is believed that by removing about one-half the present exemptions, and allowances for freight charges, the revenue could be brought up another $20,000,000. From this must be deducted the $15,000,000 to $20,000,000 now obtained from this source. It is just possible that Mr. Bennett will be prepared to take a chance on balancing his budget with only $60,000,000 or $70,000,000 of additional revenue. If not, the sales tax would have to be fixed at 5 per cent. In either case, it is understood that a great many of the present exemptions would be removed.

At the moment, no decision has been made. Both policies—sales tax or turnover tax—are open to the Government. It is well known that Mr. Bennett, personally, disapproves of the sales tax. He has so declared in parliament. But he is said to be inclining to the view that the business men who must pay the tax have some right to decide how they will pay. From this point of view, the prospect is that the sales tax will be retained. Mr. Bennett would defend his change of front in parliament by saying that he was merely respecting the wishes of the taxpaying community.

Many Wild Rumors

This condition of uncertainty, however, is giving rise to innumerable rumors. It has been stated in the press this week, particularly in daily papers that are supposed to be close to the administration, that the Government will not only retain and increase the sales tax, but also will put on a 2 per cent turnover tax. One newspaper has said that there will be a 2 per cent turnover tax and a 4 per cent sales tax.

This is not true. The rumor arises out of the fact that both courses are under consideration. The Government will choose one tax or the other, not both. And judging by informal conversations with those who know what is going on, the present trend is distinctly and strongly toward the sales tax, and against the turnover tax.

NOTE—An analysis of the Sales Tax as at present constituted will be found on page 7 of this issue.

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CAN. FAIRBANKS EARNS DIVIDENDS BY SAFE MARGIN

Profits Lower — Working Capital Position Strengthening

From Our Own Correspondent

MONTREAL.—While sales and earnings of Canadian Fairbanks-Morse Co. showed a decline in 1930, profits were sufficient to take care of dividend requirements on the common stock, being equal to $2.98 a share as compared with a disbursement of $2 a share. Earnings in 1929 were equal to $6.48 a share. The balance sheet showed an improvement in working capital position with cash and call loans substantially higher at the end of last year.

Sales in 1930 declined approximately 20 per cent. Operating profit was $395,300 as compared with $719,173, while special income totalled $29,905 an increase of $6,000 bringing total income for the year to $425,205 against $742,457 in 1929.

Contributes to Fund

As in the past, contributions were made to the officers and employees pension fund, constituting a charge of $19,098 against operating profits. The fund itself, however, is not incorporated in the company's figures.

Following is a comparison of profit and loss accounts for the past three years:

	1930	1929	1928
	$	$	$
Op. profit	395,300	719,173	743,935
Misc. inc.	29,905	23,383	10,799
Total inc.	425,205	742,457	754,734
In. de. etc.	62,857	93,642	98,963
Net profit	362,347	648,815	656,771
Tax prov.	34,000	40,000	53,000
Balance	328,347	608,815	602,771
Pfd. div.	90,000	90,000	90,000
Pfd. arr.	......	......	225,000
Com. div.	*225,500	160,000	......
Surplus	15,847	358,815	287,771
Pre. surp.	2,804,148	2,445,333	2,157,561
P. & L. bal. ..	2,819,995	2,804,148	2,445,333

*Including reserve for dividends for one quarter on both preferred and common.

Strengthens Working Capital

An increase in current assets and a decrease in current liabilities has strengthened working capital to $3,459,593, an increase of $155,000. Current assets are equal to nearly ten times current liabilities.

Call loans make their first appearance in the balance sheet totalling $275,000 while cash is higher at $683,346 as compared with $415,212. Inventories are lower by about $95,000 at $1,384,004 while accounts receivable have dropped $380,000 to $1,279,292. Investments are virtually unchanged at $228,498.

In line with the company's policy to expand through a system of small branches, a store was opened in Halifax in May 1930. Property account is higher by slightly over $1,000 at $1,337,504. Investments in subsidiaries and goodwill are both unchanged at $1 respectively. A mortgage receivable has been reduced by $45,000 to $70,342.

In liabilities, accounts payable lower by $11,000 at $256,151 while commissions have been reduced from $127,484 to $67,674. Reserves have been increased from $520,903 to $603,093 and common stock and surplus is carried at $2,819,996 an increase of $15,847.

Remarks to Shareholders

In his remarks to shareholders, Thomas McMillan, president of the company, said in part:

"The sales volume of your company for the year declined approximately 20 per cent. In the earlier months, bookings and shipments were fairly well maintained, but with the approach of the fall it became increasingly evident that the buying power of the West had been greatly diminished through the continual drop in grain values, and while the steady flow of business in Quebec and the Maritimes offset to a considerable extent the loss of trade from the Prairies, the compensating features were not sufficient to materially alter the general results, and, further, in common with most Canadian companies, the year's earnings were adversely affected by declining commodity prices necessitating rather unusual adjustments in inventory values.

"As to the outlook for business in Canada during the current year, the immediate future is rather obscure. Sentiment appears to be improved and the feeling seems to be spreading that the worst of the depression is nearing its end. It is the intention, however, to continue to exercise a degree of caution in our undertakings until we have a clearer vision ahead. In the meantime we are keeping our organization intact with the hope that in due course business will improve."

INTER. COAL PROFITS LOWER LAST YEAR

Encroaches on Surplus to Cover Common Dividends

From Our Own Correspondent

MONTREAL.—Total income of Intercolonial Coal Co. in 1930 after charges, fell below common dividend disbursements by $9,904. Dividends were paid at the rate of 3 per cent in 1930 as compared with 4 per cent in 1929, when their payment resulted in a deficit of $10,318.

The output for the year was 150,172 tons, a decline of 22,554 tons as compared with the previous year.

Profit and Loss Figures

Following is a comparison of profit and loss accounts for the past three years:

	1930	1929	1928
	$	$	$
Oper. prof.	18,704	30,852	66,716
*Oth. inc.	21,199	19,219	......
Income tax	2,777	3,667	4,929
Net profit	37,224	47,114	61,787
Pfd. divid	17,128	17,432	17,432
Com. divid.	30,000	40,000	†50,000
Surplus	‡9,904	‡10,318	‡5,645
Prev. surp.	433,884	444,201	§449,846
P. & L. bal. ...	423,980	433,884	444,201

*Income from investments.
†Including bonus.
‡Deficit.
§Including unpresented dividend cheques.

Working Capital Slightly Lower

Working capital shows a slight reduction at $469,069 as compared with $501,760. Current assets of $524,824 include cash at $24,415, a reduction of $25,000, Dominion of Canada bonds, $417,680 as compared with $397,680, and accounts receivable of $82,728, a reduction of $14,000. Inventories are higher by $8,000 at $59,845.

Current liabilities of $28,755 include accounts payable of $25,978, a decline of $12,000 and a tax reserve of $2,777. During the year, $7,700 of preferred stock was redeemed leaving outstanding $210,300. Common stock is unchanged at $1,000,000 and surplus has been reduced by about $10,000 to $423,981.

In his report to shareholders, Preble MacIntosh, president of the company, stated that a new agreement with the men from May 9, 1930 to April 30, 1932, had been signed.

King Edward Hotel Board Has Reorganization Plan

New Bonds to Be Bought By United Hotels to Protect Prior Bonds and Provide Working Capital—Lower Interest For Debentures—Forego Payment Now

At a special general meeting on March 23 of debenture holders and creditors of King Edward Hotel Co., the latter will be asked to authorize a new mortgage issue of $3,800,000 for the purpose of retiring the 7 per cent first mortgage bonds due 1938 now outstanding to the extent of $2,150,000 and the 7 per cent bonds due 1944 outstanding to about $1,150,000 and making available $500,000 for the present and future requirements of the company. United Hotels Co. of America, which controls the King Edward Hotel Co., and which has guaranteed interest on the Series "A" 8 per cent debenture stock due 1963—of which $2,469,200 is outstanding—will agree to purchase such of the new bonds as may be necessary during the next two years for the purposes outlined.

Defaulted on Interest

The present situation was precipitated by the inability of the company to meet interest on $835,700 Series "B" 8 per cent debentures due 1963 on December 1, 1930. Payment was defaulted and United Hotels Co. was called upon to pay interest on $2,469,200 Series "A" 8 per cent debentures under its guarantee.

That situation has been rendered more critical still by the fact that the company had only $25,000 with which to meet interest, sinking fund and taxes of $228,337 due March 1, 1931. In view of this situation the debenture holders will be asked to agree to reduce the interest from 8 to 6 per cent. In the case of the Series "A" debentures the 6 per cent will be payable only if and to the extent that earnings will be available up to and including the interest payable to December 1, 1932. Interest unpaid will be cumulative and after December 1, 1932, will be paid out of earnings as arrears after current interest is paid on the Series "A" debentures.

Holders of "B" debentures are also asked to agree to reduce rate of interest from 8 to 6 per cent and to be put on a non-cumulative income basis up to and including the interest due December 1, 1934.

The authorized "A" debenture stock is to be increased from $2,500,000 to $2,637,500.

A voting trust agreement will be created under which a majority of the board of directors will be elected on behalf of the debenture holders unless and until full interest at the rate of 6 per cent per annum shall have been paid on the "B" debenture stock for two years.

Directors state that the plan has been worked out after careful consideration by the board and after consultation with the largest debenture holders and the trustee under the deed of trust securing the debentures.

Income Declines Sharply

In the letter to debenture holders, directors state that gross income, which was $3,184,788 in 1928, declined to $2,571,509 in 1929 and to $1,707,015 in 1930. After payment of all charges, interest on prior loans and depreciation, the net available for the debenture stock decreased from $614,513 in 1928 to $170,377 in 1929, and there was a deficit of $121,101 in 1930. Operations were at 74.8 per cent of capacity in 1928, 63.6 per cent in 1929 and only 43.4 per cent in 1930.

The management estimates that when operations are increased to 60 per cent of capacity, earnings will be available to take care of all prior lien charges and pay interest on both classes of debenture stock. This presupposes that the management will continue economies recently effected. Salaries of entire staff of hotel were cut 10 per cent in 1930 and numbers reduced so far was considered consistent with good service. Controllable expense was thus reduced $302,794 in 1930 as compared with 1929.

Hunt's Dividends Raised to $1.40 Rate

Announcement of an increase in the rate of dividend payments was made on March 4 at the annual meeting of Hunt's Ltd. The dividend on the classes "A" and "B" stock was increased from the former annual rate of $1 per share to $1.40 per share, the first quarterly payment of 35 cents per share to be made on April 1 to shareholders of record on March 16. An extra dividend of 50 cents per share was also paid on January 1 last.

The former board of directors were re-elected as follows: H. W. Hunt, president and managing director; L. K. Hergert, secretary-treasurer; A. F. Schnaufer, J. D. Montgomery, and J. H. Ratcliffe.

Calls Ottawa, Washington, to Give Us Inside Facts on Soviet Wheat Menace

By Department of Economics, Thomson & McKinnon, Toronto

Back in 1929 Stalin warned us to look out for trouble. "When we put the muzhik in the tractor," he said, "then let the reverenced capitalists who pride themselves on their civilization try to keep up with us. It is still to be seen which country will then have to be considered backward and which advanced." And most of us smiled and dismissed the threat as so much language.

The muzhik is in the tractor. We guessed as much a year ago, but when the U. S. department of agriculture issued its 1930 world's wheat production report, and added a postscript that Russia had produced 1,151 million bushels, as against 702 millions the year before, the trader no longer felt that he should take his grain statistics "excluding Russia." Russian production was within 200 millions of the aggregate production of the 24 reporting European countries.

Big Figures Appear

Of course big figures are to be expected from a big country and Russia covers an area a third larger than that of Canada and the United States combined, with a population roughly equal to their combined populations. Before the war, let us never forget, Russia dominated the world's wheat market and over the ten years' period 1904-5 to 1913-14 annually averaged exports of wheat (and flour equivalent) of about 139 million bushels.

Out of that billion-odd bushels produced in 1930 there are 135 million or more mouths to be fed at home and there are those who will have it that the Soviet is sending abroad wheat that should be consumed at home. The Soviet is, in fact, charged with starving the populace, with the natural conclusion that some gray morning the populace will throw off those who deny them food. And there is history back of the thought, for the revolution that overthrew Czardom began in the bread lines of St. Petersburg and Moscow, as did that which later sent Kerensky into exile and brought the Bolsheviks into power. However, the wheat consumption of the Russian people is not to be measured by our standards. Before the war, when Russia was averaging exports around 139 millions, her production averaged only 661 millions, with the population about what it is today. It is therefore safe to conclude that if the Russians are now well fed with wheat, they and their fathers are accustomed to being badly fed. And, strangely enough, the rate of their increase of population (if we can rely on their statistics) seems to be in excess of that of Europe.

The Five Year Plan gives promise of better rations, but holds out little prospect of substantially more wheat consumption in the nearby future. S. T. Grinko, who had a hand in drawing up the plan and is now in charge of Soviet finance, says: "The Five Year Plan provides for the stabilization of the standard of bread consumption in the cities and for only a slight increase in the standard in the villages. The food budget of the population of the Soviet Union contains too great a percentage of bread." And thus the Plan provides for the main increases in meat, eggs and dairy products, from which the feed grains alone will benefit.

Discouraging Conditions

It is the condition under which Russia re-enters the World's Wheat Market that is new and disconcerting. For those who are wondering whether prices of grain are in a major cyclical dip, or on a new low level that will be as permanent as things can be in the changing commodity world, the Russian grain situation is of absorbing interest and of prime market importance.

Thinking clearly about the affairs of the Soviet is not an easy matter for individualistic North Americans, but we must try, for to see the things that are was one of our best 1931 resolutions. Seeing them as we wanted them to be got us into no end of trouble last year.

Divesting the Russian agrarian situation of its socialism for the time being, we find in it an attempt to apply scientific agriculture to holdings large enough in scale to warrant the operaton of the highest powered modern machinery, with provision for efficient operation and maintenance. And that seems to be about what we thought we were doing ourselves in Canada and the United States. But before we go further we ought to have a better understanding of the word "large," which in agriculture, as in manufacturing, is used in a relative sense.

We have been thinking of Western Canada as engaged in large scale wheat production, and yet we find the Pool officials protesting that the holdings of their members are not of sufficient size for the profitable employment of modern high powered machinery. There are in Saskatchewan 6,000 combines, taking off 25% of the crop, and there are 27,000 tractors, with many of them (according to Pool officials) on farms where horses might be better employed.

But there are combines and combines; tractors and tractors; and within the present decade the tendency has been towards the development of machinery that would cover larger and still larger swathes, saving man power, diminishing the hazards of harvest and (it is contended) reducing the cost of production. We would appear to have established the economics of Industrial Agriculture without having adopted it as general practice. The reasons of our hesitancy lie on the surface. When we are told of tractor-drawn outfits that disk and drill for Spring wheat at the rate of 90 acres a day, and of other mechanical operations on equal scale, we can well realize that the St. Lawrence Waterway will have been deepened before the ordinary farmer of the United States and Canada is fitted into the new Agrarianism. However, the issue has but one test—the unit cost of production; and that is not readily determined.

High Powered Machinery

Costing is always a difficult matter, and apparently more difficult for field than for factory, if for no other reason than the greater weather hazards. Some costs are available, but not over a sufficient range to be decisive. L. W. Wallace, of the American Engineering Council, gives the cost of producing wheat in western Nebraska, under large scale operations with full utilization of power and machinery, at 32 cents a bushel, as against a cost of 86 cents in Eastern Nebraska under the old (and apparently average) conditions. The disparity is startling, and if it is approximately right the wheat situation is not what it is commonly supposed to be.

Of course there is nothing disconcerting to Americans about that high powered machinery. It originated in the United States and ordinarily there is nothing embarrassing about vast scale production. Americans introduced mass-production to the world.

Socialism In Picture

Now we must put Socialism back into the picture. Throughout the wheat belt of North America the bulk of the crop is grown on holdings less than the typical acreage of Saskatchewan (320 acres) and the small free-holding farmer is regarded as the backbone of the two nations that lie north of the Rio Grande. It was not much different in Russia a few years ago. The kulaki who cultivated the land had sent their sons to Moscow or Petrograd, where they became doctors, lawyers and professional men generally (several became economists) and many of them joined the Communist movement with the mental reservation that Communism, while a very good thing for the city and the factory, was not so good for the countryside and the field; but in the final councils this idea lost out and their kulaki fathers are being driven from the land and their holdings thrown into the ever increasing socialized sector.

With eyes turned constantly towards North America, the Soviet has raided it for mechanical science and proposes now to make Industrial Agriculture on a vast scale its practice, not, as in this country, the exception.

Socialism is at its best in revolution. If the new Agrarianism is more efficient than the old it will win out everywhere, someday, but the change-over will be a long-drawn out affair in individualistic North America; the small free-holders will be unwilling to give up, and capitalists will be equally unwilling to take over. Socialism is more flexible in innovation; it handles the economic revolution as it handles the political, by force of arms; contempt for the man of moderate means is its very narrow, and it blots him out in the ordinary course of the day's work. Russia has undertaken to do in five years that which either the United States nor Canada can be expected to accomplish in a generation. And apparently with half the period gone, the Soviet is on schedule.

No Accurate Figures

We are not given to political dissertation, but it has seemed to us that something should be done to clarify thought on the grain situation. The Farm Relief Board was formed presumably to give what its name implies. That Board, with the best intentions in the world, has purchased wheat and cotton and has not worn the one nor eaten the other, but has left both hanging over the heads of those who sell and buy in the ordinary course of trade. The Board was supposed to be giving us stability and has given us, or rather under it we have had, stability of depression. Now we suggest that instead of trading in wheat and cotton (as does the Soviet) the United States and Canadian Governments should give to the growers and the traders that which they cannot well obtain for themselves. We have cited figures of production under the Soviet, but are not in a position to say they are authentic. The other day there was published a wheat yield of 19.9 bushels per acre for Russia, as against 15.5 for Canada and 14.4 for the United States. What was the basis for the Russian figure? With only an "average" crop in 1929-30 the Soviet satisfied home requirements and, it is said upon high Soviet authority, laid aside two million tons of grain in the State reserve. What then is to become of the vastly larger wheat crop of 1930-31; what may we expect by way of Black Sea shipments this Spring? What is the capacity of Soviet storage facilities, and what the real condition of its railways?

These things we should know and many others about grain production in the Land of the Soviet, if we are to have stability. And it would appear to be the function of governments to supply that information. There is nothing untoward in the request. The course of the grain trade of the United States and Canada is set forth, from the field to the mill or the ship, in its minutest details, by the governments of those two countries, for the information of the world, not "excluding Russia," and we would not have it otherwise. As a matter of fact we now have a fairly complete story of three-quarters of the world's grain trade, day by day, but until we have the missing chapter, the full story, we cannot entirely throw off the hesitancy that now besets us.

ANGLO-NORWEGIAN EARNINGS COVER DIVIDENDS TWICE

Equal to 60 Cents a Share —Paid 25 Cents in Last Year

From Our Own Correspondent

MONTREAL.—Total income of Anglo-Norwegian Holdings Ltd., in 1930 was $561,222 as compared with $451,048 in the former nine month period extending from March 22, 1929, to December 31, 1929. While interest received in 1930 was lower, dividends received at $556,663 showed a sharp increase over the $439,310 recorded in the preceding period. Income last year included an initial payment on the company's holdings in Falkland Whaling Co. formed in 1929.

After deduction of expenses, taxes, preferred dividends requirements and cost of redemption of preferred stock there remained $252,847 applicable to the common shares. This was equal to 60 cents a share on the 420,000 shares outstanding and compares with 59 cents a share in the previous nine month period.

Paid Initial Dividend

An initial dividend of 25 cents a share was paid in March, 1930, and a similar payment will be made on March 24, 1931. This disbursement requires $105,000. The stock is listed on the Montreal Curb Market though trading is very limited.

Anglo-Norwegian Holdings Ltd. is a holding company controlling three whaling organizations. Revenue is derived solely from interest and dividends on these holdings. In the first 19 weeks of the current year the fleets have secured 239,600 barrels of oil valued at £998,333 as compared with 195,100 barrels valued at £812,915 in the same period in 1930.

Comparison of Earnings

Following is a comparison of income accounts for the past year and for the period extending from March 22, 1929, to December 31, 1929:

	1930	1929*
	$	$
Income:		
Interest	4,559	10,239
Dividends	556,663	439,310
Exchange	......	1,499
Total income	561,222	451,048
Less:		
General expense	11,037	7,120
Directors' fees	7,600	5,625
Income tax	240	300
Net income	542,445	438,003
Less:		
Pfd. redeemed	170,598	88,716
Pfd. dividends	119,000	99,750
Common divds.	105,000	......
Surplus	147,847	249,537
Add: Prev. surplus	249,537	
Bal. forward	397,384	

*From March 22, 1929, to Dec. 31, 1929.

Working Capital Higher

The balance sheet shows a sharp increase in working capital which totals $291,430 as compared with $93,400 at the end of 1929. Cash is lower at $42,803 as against $102,999, while a temporary advance to subsidiary company since repaid totals $257,453. Investments at cost are still carried at $3,090,768.

A comparison of the balance sheet, however, is hardly feasible since the last report covers the first full year's operation. During 1930, 1,000 shares of preferred stock were redeemed leaving $1,700,000 outstanding of an original issue of $2,000,000. The sum of $200,000 was added to reserve in 1930 which brought this item up to $59,814. Total assets are carried at $3,391,312.

FREDERICK G. TODD
Landscape Architect
920 Castle Bldg., MONTREAL
Marquette 9617

FIDELITY TRUSTS INCREASES SURPLUS

Niagara Falls Company Invests $33,000 in Head Office

Fidelity Trusts Co. of Ontario, Niagara Falls, has issued its balance sheet as at December 31, 1930, but as in the previous year, no profit and loss account accompanies it. The profit and loss surplus is shown in the balance sheet at $18,527, an increase from $8,459 as at December 31, 1929.

Gross assets under administration stand at $572,724, compared with $580,531 a year ago. Estates trusts and agencies are at $258,522, compared with $304,248. Savings deposits and guaranteed investment receipts, accrued interest and Christmas club, total $67,643, compared with $42,853 in this department a year ago.

In the capital account, liabilities to the public are reduced from $34,771 to $22,781. Of this sum, $22,168 is due Northern Mortgage Corp. and $613 is in bank loan. The paid-up capital is $190,200, of $300,000 capital subscribed.

Two new items in Company's assets are $30,337 for office premises and $5,768 in property acquired through foreclosure. Of the $231,509 in company funds, $117,250 is in mortgages and interest thereon, $9,709 in government and provincial bonds, $12,279 in other bonds and debentures, $31,521, Northern Mortgage Corp., and $15,034 in accounts receivable. A year ago the total company funds were $233,430. Mortgages held were $140,946, government bonds $17,688 and other bonds and debentures $18,040.

It is understood that Fidelity Trusts of Ontario is controlled by Welland Financial Corp.

Guaranteed funds:	1930	1929
Invest. receipts	$2,325	$2,325
Savings deposits ...	60,541	40,528
Other	4,776	......
	67,642	42,583
Estates, etc.	273,122	304,247
Company funds—		
Capital	190,200	190,200
Undiv. profits	18,527	8,458
Total liab.	$572,273	$580,531

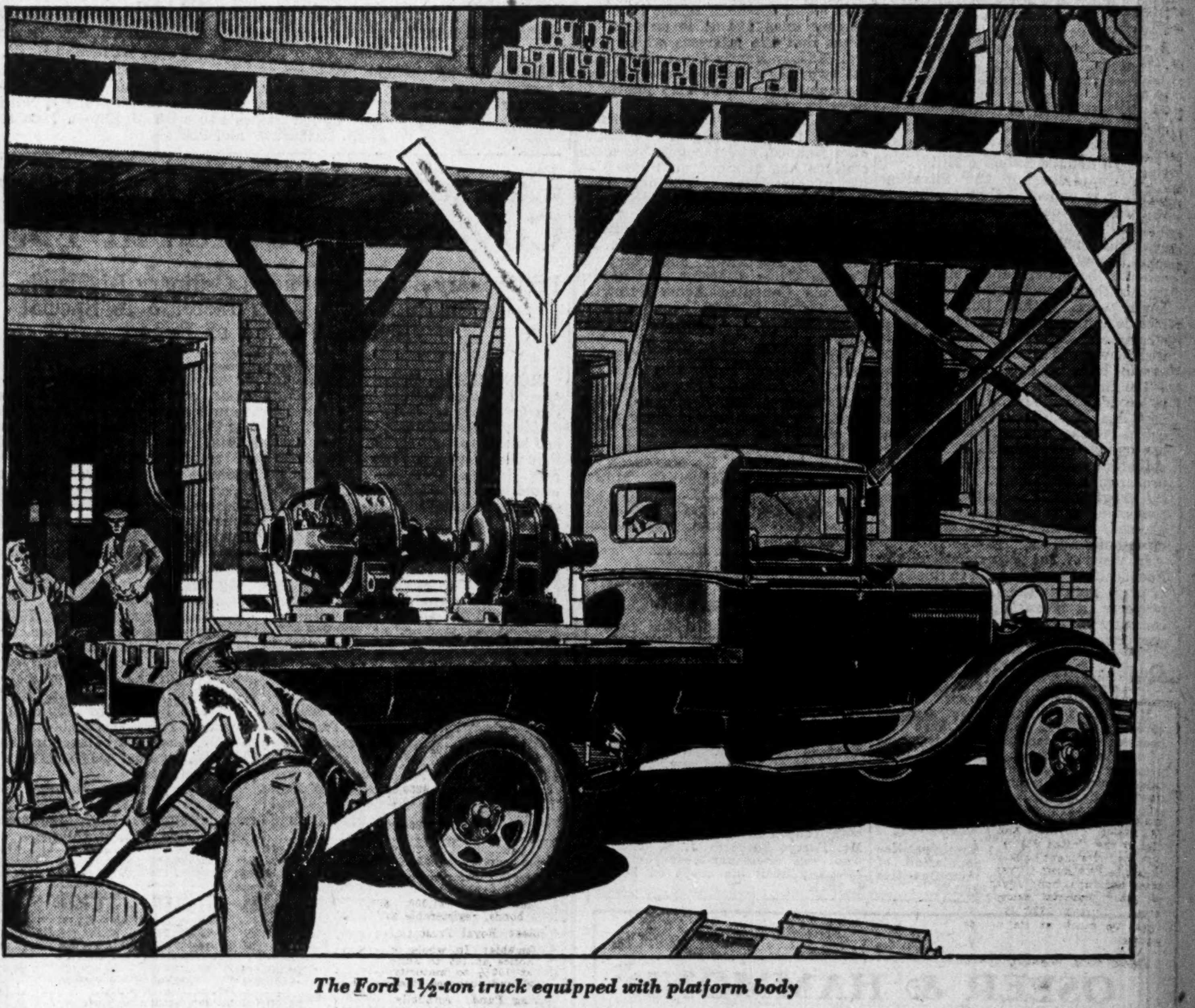
Hudson's Bay Co. Moves Departments to Winnipeg

March issue of the "Beaver," house organ of the Hudson's Bay Co. records the fact that all departments of the business—fur trade, stores, land and wholesale—now have Canadian headquarters concentrated under one roof, Hudson's Bay House, Winnipeg.

Winnipeg's pre-eminence as the centre of the Canadian fur trade has been further emphasized in the current year by the removal of the headquarters of Revillon Frères Trading Co. from Montreal to Winnipeg. S. H. Coward is the general manager. Hudson's Bay Co. owns stock interest in Revillon Frères.

Hudson's Bay Co. in the current year established a buying office in Toronto, in charge of W. A. Wise. The company now maintains buying offices in Toronto, Montreal, London and Paris.

Capital: $1,000,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office — Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL
212 St. James Street W.



The Ford 1½-ton truck equipped with platform body

Ford Trucks serve many purposes

AT THE present time, in all parts of Canada, Ford commercial units are serving the hauling needs of every line of business. Because of their low first cost, they are bringing safety, reliability, strength, capable performance, and economical operation within the reach of every operator.

Two different chassis

The truck chassis is available with 131½-inch or 157-inch wheelbase, with 6.6 or 5.14 rear-axle gear-ratios, and with single or dual rear wheels. These take care of all general truck needs. There is also the light commercial chassis, which is admirably adapted for light haulage work and quick deliveries. All chassis can be equipped with a factory-built closed cab, which has a shatterless glass windshield for safety.

Features of the Ford Truck

One of the most important features of the Ford truck is its exceptionally sturdy frame, with five strong cross-members. This greatly increases the reliability and length of service embodied in the chassis. Another feature is the three-quarter floating spiral bevel gear rear axle, which has a straddle-mounted pinion. With this design, the axle-shafts serve only to turn the wheels, without carrying any of the weight of the truck. Others are the torque-tube drive, which relieves rear springs of all but their normal function of absorbing shocks; and the 4-speed transmission, which provides a wide, flexible range of speed and power.

Ford Trucks for every purpose

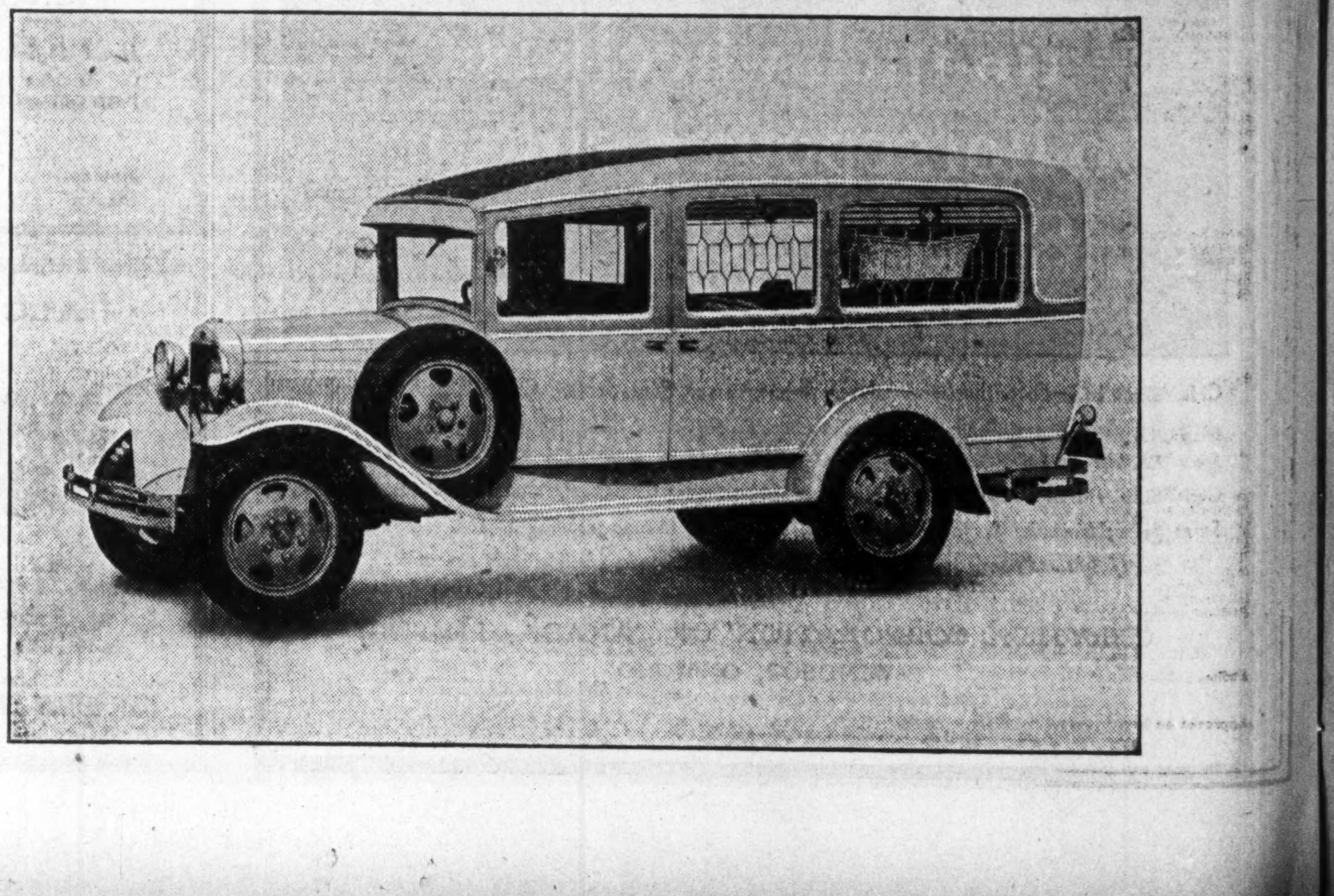
There is a large variety of standard bodies, and in addition, special bodies for many purposes, which adapt Ford units for every need. Additional bodies are constantly being developed, in order to serve broader fields. Among the newer types available are a bus, seating 21 passengers, and an ambulance.

Go to your Ford dealer and see these trucks. He will be glad to demonstrate a type designed for the needs of your business. The good appearance of Ford units makes them a credit to any business they represent.

Ford
"THE CANADIAN TRUCK"

Visit the Spring Salon showing of the complete line of Ford Cars and Trucks at Ford dealers' showrooms. March 7 to 14.

THE AMBULANCE. *Of special interest to municipalities, hospitals, and institutions which desire to keep their initial investment in a car as low as possible, without sacrificing those qualities of reliability, comfort, safety, and good appearance which a specially designed vehicle provides. Steel-spoke wheels are optional.*



News of Investment Markets

TORONTO ARENA PREFERRED ISSUE CARRIES BONUS

Leading Citizens Sponsor Public Interest in Sports Project

Plans to build a new hockey arena in Toronto have assumed definite shape and the public has been offered participation in an issue of $700,000 7 per cent participating non-cumulative preferred stock of Maple Leaf Gardens Ltd. This company has recently been formed to take over the ownership and operation of the Maple Leaf hockey team and will build the new arena.

A site 350 ft. by 282 ft. has been purchased from the T. Eaton Co. at a price stated to be $150,000 less than its actual value and work will start shortly on the new structure. The new arena is designed to seat 13,500 people for hockey and 16,000 people for other attractions such as boxing and wrestling. The ice-making plant and ice surface are designed so that ice may be removed within a short time permitting hockey on one night and boxing on the next. The building will contain a number of stores facing on the street.

Take Over Franchise

The new company has arranged to purchase hockey team, franchise and equipment from Maple Leaf Hockey Club Ltd. in return for 10,500 shares of preferred and 23,100 shares of common stock. Organized professional hockey games will be played in the new arena and a contract has been entered into with the Ontario Hockey Association which provides that all O. H. A. games in Toronto will be played in the new arena for a period of five years starting in 1931. Operating income from all sources is estimated at $500,000 a year with expenses of operating the hockey team and the arena of $235,000. It is estimated that $265,000 will be available for depreciation, bond interest and preferred and common stock dividends.

The directorate of Maple Leaf Gardens, Ltd. includes many men prominent in the financial and business world. The directorate is announced as follows: Sir John Aird, J. P. Bickell, E. W. Bickle, J. E. Birks, C. L. Burton, A. L. Ellsworth, Geo. H. Gooderham, R. A. Laidlaw, W. A. H. McBrien, Leighton McCarthy, Harry McGee, F. K. Morrow, J. Y. Murdock, Frank P. O'Connor, Alfred Rogers, Frank A. Rolph, Allan Ross, Victor Ross, Hon. W. D. Ross, R. Home Smith, Conn Smythe and John A. Tory.

Details of the stock offering are as follows:

$700,000
MAPLE LEAF GARDENS, LTD.
7% PARTICIPATING NON-CUMULATIVE PREFERRED, $10 PAR

Dividends: 7 per cent non-cumulative, payable annually on May 15. Participates to the extent of 10 per cent of any dividend paid on the common stock until 30 cents shall have been paid on the preferred shares in addition to regular dividend.

Callable: At $12 per share.

Capitalization:	Authorized	To be issued
6½% 1st mtge.	Closed	$700,000
7% pref., $10 par ..	100,000 shs.	70,000 shs.
Common, n.p.v.	50,000 shs.	35,000 shs.

Offered: $700,000, March, 1931, at $10 per share with a bonus of one share of common with each five shares of preferred, by Toronto Maple Leaf Hockey Club, Ltd.

McCuaig Partner Retires

From Our Own Correspondent

MONTREAL.—Announcement is made that G. H. Turpin has retired from the firm of McCuaig Bros. and Co., members of the Montreal Stock Exchange. The firm, consisting of D. Rykert McCuaig, G. Eric McCuaig, Clarence N. McCuaig, and William H. Haire, will carry on as usual.

Heads Merger

H. R. COCKFIELD,
managing director of Cockfield, Brown & Co., which has acquired MacPherson, McCurdy, Ltd.

WINNIPEG DAIRY SERIES "B" BONDS BEING OFFERED

Company is Subsidiary of Dairy Corp. of Canada

Offering is being made of $200,000 6 per cent first mortgage sinking fund gold bonds, series B, of City Dairy Ltd., of Winnipeg, subsidiary of Dairy Corp of Canada. The company was acquired by Dairy Corp. early in 1930 and owns and operates a modern milk plant in Winnipeg with sales over $1,500,000 a year.

The balance sheet of City Dairy Ltd. as at December 31, 1930, shows total assets of $1,232,598 of which $232,490 is current, $143,424 is in investments, chiefly in associated companies, and $752,147 is fixed assets. Land is valued at $121,000 and buildings and equipment at $631,057. Goodwill is carried at $100,000 and deferred charges at $4,537.

Earns Interest 3.65 Times

Current liabilities stand at $186,730, of which $147,299 is in bank loans and overdrafts, since paid. Revaluation and contingency reserve is shown at $30,285, first mortgage bonds outstanding at $440,000 and preferred stocks at par of $450,000. The 18,000 shares of no par value common are carried at $100,000 and surplus amounted to $25,583. There was also a contingent liability of $187,958 under an agreement of purchase assigned to Dairy Corp. of Canada which has agreed to protect City Dairy Ltd. from any liability.

Net earnings of the company, after deducting all operating expenses, but before depreciation and income taxes, available for interest on the total amount of first mortgage bonds outstanding is certified as having been $96,370 in 1930; $107,618 in the 17 months ended December 31, 1929; $71,063 in the year ended July 31, 1928; and $89,731 in the year ended July 31, 1927. Earnings in 1930, according to the above figure, were equal to 3.65 times bond interest requirements.

The details of the current offering are as follows:

$200,000
CITY DAIRY LTD. (WINNIPEG)
6% FIRST MORTGAGE S. F. GOLD BONDS SERIES "B"

Dated—March 1, 1930; due March 1, 1950.

Capitalization:	Authorized	Outstanding
6% 1st mtge. bonds		
Series "A"	$250,000	$240,000
Series "B"	750,000	200,000
8% Cum. pref.		
$100 par	250,000	250,000
7% Part. pref.		
$100 par	200,000	200,000
Common, n.p.v. ..	25,000 shs.	18,000 shs.

Interest: 6 per cent per annum, payable March and September 1.

Denominations: $1,000, $500 and $100 coupon bonds, registerable as to principal.

Trustee: Royal Trust Co.

Redeemable: In whole or in part on 30 days' notice at 105 to June 1, 1938; thereafter at 102½ to maturity or in part for sinking fund purposes at any time at 102½.

Sinking Fund: Annually, starting March 1, 1931, so long as any series "B" bonds are outstanding, sums equal to a portion of the principal amount of all the bonds of series "B" theretofore issued as follows: 2 per cent in each of the years 1931-1935 inclusive, 4 per cent in each of the years 1936-1940 inclusive, 6 per cent in each of the years 1941-1945 inclusive, and 8 per cent in each of the years 1946-1950 inclusive. In lieu of making the sinking fund payments in cash the company may tender bonds at the prices and in the manner referred to in the supplementary trust deed.

Purpose: Proceeds of the sale of this issue were used to reimburse the company for capital expenditures.

Security: Together with series "A" bonds, constitute a first fixed and specific mortgage and charge on lands, buildings and fixed equipment of the company and a floating charge on all its undertaking and property hereafter acquired. Additional bonds issuable only to the extent of 66 2/3 per cent of cost or fair value of additional property acquired and then only if net earnings of the company in the preceding two years shall have been not less than twice annual interest charges.

Offered: $200,000, March, 1931, at 97 by R. A. Daly & Co.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Milton Brick ..	*6½%	1935	†Apr. 1	101
B. C. Telephone	4½%	1962	†Nov. 1	105
Moore Corp.	*6%	1939	Apr. 1	104
Buffalo & Ft. Erie Pub. Bridge	*8%	1945	Apr. 1	104
Wabasso Cotton ...	*6%	1947	June 1	105
West Kootenay Pr..	6%	1940	Sept. 1	110
West Kootenay Pr..	6%	1943	June 15	104
Pacific Burt ..	*6½%	1937	Apr. 1	103¼
Wahnapitae Pwr. .	6½%	20-yr.	May 1	105
Amer. Salesbook ...	*6%	1939	Apr. 1	104
Foreign Issues—				
Argentine Govt. .	*4½%	1888-9	Apr. 1	100
State San Paulo ..	*7%	1940	Apr. 1	100

*Called in part.
†Or before.

Bond Tenders

3 p.m., March 12, Kingston, Ont.—$366,803 4¾%, dated January 2, 1931, and due January 2, 1961; semi-annual interest. O. V. Bartels, city treasurer.

March 16, Village of Port Elgin—$42,000, hydro-electric 5% 20-year debentures. J. J. Chapman, treas.

8 p.m., March 16, Alliston—$123,000, 5½% debentures, payable in 15 installments. Guaranteed by the County of Simcoe. Mildred Lavery, clerk. (See announcement on page 8).

12 o'clock, March 18, County of Carleton— $135,280, 5% debentures, dated Feb. 3, as follows: $12,280, 5-installments, $40,000 10-installments; $83,000, 20-installments. H. R. Washington, county clerk and treas., Court House, Ottawa. (See announcement on page 8).

4 o'clock, March 23, Cap. de la Madeleine, Que.—$150,000, 5% construction and waterwork bonds redeemable serially from May 1, 1932, to May 1, 1961. Capital and interest semi-annually Feb. and Aug. 1, at Montreal, Quebec, Three Rivers or Cap de la Madeleine; $30,000, 5%, redeemable serially from Feb. 1, 1932 to Feb. 1, 1951; $83,000, 5%, redeemable serially from Feb. 1, 1932 to Feb. 1, 1971. R. Morrissette, clerk. (See page 8).

March 19, Town of Durham, Ont.—$50,000 5% 30-installment debentures. E. Ramage, treas.

March 23, Kelowna, B.C.—$53,000 5% 20-year sinking fund debentures of which $29,000 is dated January 1, 1931, and matures January 1, 1951, and $24,000 is dated February 1, 1931, and becomes due February 1, 1951.

8 p.m., March 24, Town of Essex—$20,000, 5% 20-year debentures. R. R. Brett, treas. (See announcement on page 8).

10 o'clock, March 25, Corp. of Trustees of Saint-Coeur de Marie—$22,000, 5% bonds, amount payable on July 1, 1931. Bids are asked for 5% 10 and 20-year, and 4½% 10 and 20 years. Bonds are guaranteed by "la Fabrique de Saint Coeur de Marie, Xavier Larouche, sec.-treas.

March 31, Town of Edson, Alta.—$65,000, 6% 20-installment waterworks debentures, interest commencing April 30, 1932. E. H. Tucker, sec.-treas. (See announcement on page 8).

Belle River, Ont.—It is reported that the village has $8,500 6% 30-year installment debentures for sale.

Haileybury—The town asking provincial authorization to issue debentures to the amount of $188,501 payable over a period of 30 years. The purpose is to cover floating debt of the town for which $70,000 will be necessary and the remainder will be used to consolidate and redeem existing bonds. The action taken follows a conference of municipal officials and J. A. Ellis, of the Ontario Railway and Municipal Board.

Bond Sales

MONTREAL

Chase Securities Corp. heading a syndicate including Wood, Gundy & Co. and the Royal Bank was awarded $11,070,000 4½% bonds of the city of Montreal on a bid of 99.207; a cost basis to the city of 4.54%. The bonds are dated April 1, 1931, and mature as follows: $8,570,000 on April 1, 1971, and $2,500,000 on April 1, 1951. Bonds are payable in Montreal and New York.

Bids received by the city were as follows:

1	Chase Securities Corp. Wood, Gundy & Co. Harris, Forbes & Co. Continental Illinois Co. Royal Bank	99.207
2	Royal Securities Corp. Bancamerica Blair Corp. Bank of Nova Scotia Halsey Stuart & Co. Greenshields & Co. R. A. Daly & Co. Kountze Bros. Marine Trust Guarantee Co., Detroit First Chicago Corp. Bell, Gouinlock & Co. Fry, Mills, Spence & Co. Banc Northwest Co. Wells, Dickie & Co. Pressprich & Co. McLeod, Young, Weir & Co. Matthews & Co.	99.161
3	A. E. Ames & Co. Bank of Montreal First National Bank, New York Banque Canadienne Nationale Hanson Bros. Stone, Webster & Blodgett Salomon Bros. & Hutzler	99.137
4	Dominion Securities Corp. Dillon, Read & Co. Nesbitt, Thomson & Co. E. H. Rollins & Son Blythe & Co. Chemical Security Corp. Shawmutt National Bank	98.973
5	Guaranty Co., New York National City Co.	98.1799

TOWNSHIP OF CORNWALL

J. L. Graham & Co. has been awarded $32,225 5½ per cent installment debentures of the township of Cornwall, Ont., on a bid of 105.671; cost basis 4.84 per cent. Debentures mature in two blocks, $31,395 in 20-installments and $860 in 5-installments. Bids are reported as follows:

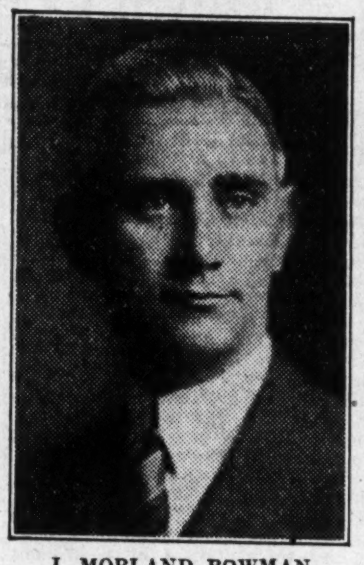
1	J. L. Graham & Co.	105.671
2	Gairdner & Co.	105.474
3	C. H. Burgess & Co.	105.46
4	R. A. Daly & Co.	105.29
5	J. L. Goad & Co.	105.225
6	McLeod, Young, Weir & Co.	104.68
7	Dominion Securities Corp.	104.527
8	Milner, Ross & Co.	104.108
9	Harris, McKeen & Co.	104.02
10	Wood, Gundy & Co.	103.07
11	Bell, Gouinlock & Co.	102.70

VICTORIA, B.C.

Wood, Gundy & Co. and Pemberton & Son, Vancouver, Ltd. were awarded $110,000 5% sinking fund debentures of Victoria, B.C., on March 9 at 101.82, cost basis 4.77%. Bonds were in two blocks, $40,000 maturing in 12 years and $70,000 in 10 years. Bids are reported as follows:

1	Wood, Gundy & Co., Pemberton & Son	101.827
2	Canadian Bank of Commerce, J. L. Graham & Co.	101.44
3	Bank of Montreal	101.31
4	Cochrane & Co.	101.252
5	Dyment, Anderson & Co.	101.0726
6	A. E. Ames & Co.	101.07
7	Matthews & Co.	100.821
8	Dominion Securities Corp.	100.612
9	Fry, Mills, Spence & Co., Victor W. Odlum, Brown & Co.	100.47
10	Nesbitt Thomson & Co.	100.443
11	Royal Financial Corp.	100.221
12	Gairdner & Co., C. H. Burgess & Co.	100.03
13	Bell, Gouinlock & Co.	100.03
14	McLeod, Young, Weir & Co.	99.68

Joins Directorate



J. MORLAND BOWMAN,
formerly president of Bowman-Hoge, Ltd., has been elected vice-president and director of Ronalds Advertising Agency, Ltd., with which Bowman-Hoge, Ltd., has been merged.

SANDWICH, ONT.

Tenders on $100,105, 5½ per cent debentures of the town of Sandwich which were called for 7.30 p.m. on March 9 were not opened and the regular meeting of the council was deferred to March 11 when the tenders were to be considered.

SAULT STE. MARIE

Wood, Gundy & Co. has been awarded $86,000 5% debentures of Sault Ste. Marie, Ont., at 101.20; cost basis 4.84%. The issue is in two blocks, $40,000 maturing in 15 installments and $46,000 in 20 installments. Bids as reported are as follows:

1	Wood, Gundy & Co.	101.20
2	Canadian Bank of Commerce	101.13
3	A. E. Ames & Co.	100.567
4	Harris, McKeen & Co.	100.50
5	C. H. Burgess & Co., J. L. Graham & Co.	100.487
6	Gairdner & Co.	100.272
7	Fry, Mills, Spence & Co.	100.01
8	Dyment, Anderson & Co.	99.80
9	Bell, Gouinlock & Co.	99.40
10	Matthews & Co.	99.291
11	H. R. Bain & Co.	99.026
12	Dominion Securities Corp.	99.01

TOWNSHIP OF YORK

Dominion Securities Corp. and A. E. Ames & Co. were awarded $1,474,974 5% installment debentures of the Township of York, on March 4, on a bid of 100.839; cost basis 4.89%. The debentures are all dated March 2, 1931, and mature as follows:

Bids received were as follows:

1	Dominion Securities Corp., A. E. Ames & Co.	100.839
2	Wood, Gundy & Co.	100.827
3	McLeod, Young, Weir & Co., Bell, Gouinlock & Co.	100.18
4	Gairdner & Co., Royal Bank, C. H. Burgess & Co.	99.613
5	Fry, Mills, Spence & Co., R. A. Daly & Co., Can. Bank of Commerce	99.112

GREATER VANCOUVER WATER DIST.

Royal Financial Corp. has been awarded $500,000 4½% debentures of Greater Vancouver Water District, due December 31, 1970, on a bid of 96.966; cost basis 4.67%. Bonds are payable in Canada, New York and London, Eng. Bids opened on March 5 were as follows:

1	Royal Financial Corp.	96.966
2	Pacific Stock & Bond Co.	96.213
3	Wood, Gundy & Co. Royal Bank Pemberton & Sons, Vancouver, Ltd.	95.672
4	R. A. Daly & Co. Bank of Nova Scotia Matthews & Co.	95.553
5	Bell, Gouinlock & Co. Fry, Mills, Spence & Co. Victor W. Odlum, Brown & Co.	95.33
6	A. E. Ames & Co. Bank of Montreal	95.279
7	Dominion Securities Corp. Canadian Bank of Commerce	93.101

GRAND'MERE, QUE.

As reported in The Financial Post of March 6, McLeod, Young, Weir & Co. was awarded $150,000 5% 30-year serial debentures of the city of Grand'Mere, Que., at 99.851, a cost basis of approximately 5.01%. The bids on the issue are reported as follows:

1	McLeod, Young, Weir & Co.	99.85
2	A. E. Ames & Co.	99.28
3	Dyment, Anderson & Co.	98.62
4	Banque Canadienne Nationale Credit Anglo-Francais Ltd. Ernest Savard Ltd.	98.42
5	Harris MacKeen & Co.	97.52

CHATHAM, ONT.

Gairdner & Co. has been awarded $190,000 5% 20-installment debentures of Chatham, Ont., on a bid of 102.203; cost basis 4.74%. Bids are reported as follows:

1	Gairdner & Co.	102.203
2	Dominion Securities Corp.	102.078
3	McLeod, Young, Weir & Co.	101.801
4	J. L. Graham & Co.	101.74
5	Wood, Gundy & Co.	101.729
6	Matthews & Co.	101.634
7	Dyment, Anderson & Co.	101.563
8	Bell, Gouinlock & Co.	101.55
9	C. H. Burgess & Co.	101.52
10	J. L. Goad & Co.	101.36
11	Fry, Mills, Spence & Co.	101.292
12	R. A. Daly & Co.	101.226

HAWKESBURY, ONT.

H. R. Bain & Co. has been awarded $16,580 5½% 20-installment debentures of the town of Hawkesbury on a bid of 100.11; cost basis 5.44%. Bids are reported as follows:

1	H. R. Bain & Co.	100.11
2	Milner, Ross & Co.	99.287
3	Harris, MacKeen	98.02
4	Royal Financial Corp.	97.835
5	C. H. Burgess	*100.50
6	J. L. Graham & Co.	*97.00

*Option.

Claude Neon Preferred Meets Good Reception

Advance subscription of the 7 per cent preferred stock of Claude Neon General Advertising Ltd. is reported to amount to some 65 per cent of the $1,000,000 issue which will be offered publicly in the next few days. Sponsored by Williams, Partridge & Rapley Ltd. and Matthews & Co., the issue is stated to have met a most favorable reception.

The company does a coast to coast business in outdoor advertising displays in Canada. Through its connection with Claude Neon Lights Inc., New York, the Canadian company derives the benefits of research laboratories and plants in the United States engaged in extending the Claude Neon system of lighting.

The officers and directors of the Canadian company are as follows: Julian C. Smith, chairman of the board, S. Godin, Jr., president; J. C. Asch, vice-president and general manager; J. R. Robertson, vice-president; J. W. McConnell, Howard Murray, O. B. E.; Russell D. Bell; M. A. Thomson and W. T. P. Hollingsworth.

Penticton Sinking Fund Exceeds Requirements

The District of Penticton, B.C. with a population of 4,300, had a total debenture debt of $1,065,500 at December 31, 1930, according to the annual report just issued. The total sinking fund is shown at $337,200 which is $35,705 in excess, taking investments at par. The current revenue in 1930 was $79,097 and expenditure was $64,265.

After operating charges only, the public utilities all showed a profit but after further deduction for interest, sinking fund and depreciation a loss of $6,255 is reported on waterworks and $21,941 on irrigation while electric light returned a profit of $3,223.

Excluding exemptions, the assessed value for taxation of land was $1,749,135 and for improvements $3,414,160. The tax rate of 50 mills brought the 1930 levy to $124,954 of which $12,773 was uncollected at the end of the year. Arrears of taxes collected in 1930 was $16,606 and amount of tax sale lands or certificates held on December 31, 1930, was $82,133.

Saskatchewan Statistics Show Increased Arrears

The annual report of the Saskatchewan department of municipal affairs just issued covers the municipal statistics of the province and includes the annual report of the director of town planning for the year ended April 30, 1930.

Population is reported to be increasing more rapidly in the cities than in villages or rural areas while there was a more pronounced increase in land assessment in rural municipalities during the year under review than in previous years. Assessment of land in urban municipalities, except villages, increased during 1929 after declining steadily for 10 years. Taxation per capita decreased in the cities but increased in all other municipalities.

Tax collections are reported were not as good in rurals and villages while arrears show pronounced increase. Increased revenues took care of increased expenditures. Debenture liabilities per capita fell however in all but villages and every town and city having a sinking fund shows a surplus of investments above requirements. Bank loan liabilities continued the up trend shown in recent years.

Canadian General Electric Common Dividend Increased

Directors of Canadian General Electric Co. have declared a quarterly dividend of $1 per share on the common stock, payable April 1 to shareholders of record March 14. The stock is thereby placed on an annual basis of $4 or 8 per cent. The stock was placed on a $3 per year basis with resumption of dividend payments on April 1, 1930, and a bonus of $1 was paid on January 1, 1931.

The annual meeting of the company is to be held on March 20 at 12 o'clock at the head office in Toronto.

Provincial Bank Awarded Notre Dame Hospital Bonds

MONTREAL.—The Provincial Bank of Canada was the highest bidder for an issue of $1,250,000 of bonds of Notre Dame Hospital of Montreal. The issue covers a period from ten to twenty years.

The funds will be utilized for enlarging the present building erected in 1924. The Provincial Government has agreed to subscribe grants to the institution for the sum of $750,000.

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net income 1930	Net income 1929	Common share earnings 1930	Common share earnings 1929	Curr: divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
Abitibi Power & Paper	Dec. 31	2,921,743	4,111,805	.47	1.97	...	c513,835	1,948,896	12	25½	...
Burt. F. N., Co.	Dec. 31	346,808	503,536	3.19	4.66	3	20,236	123,918	42½	13¼	7.06
Can. Power & Paper	Dec. 31	1,298,770	1,895,907	...	.10	...	d451,230	125,908	2	...	...
Can. Steamship Lines	Dec. 31	d657,792	230,602	...	...	...	d1,107,792	d669,398	8	...	...
Can. Wire & Cable (B)	Dec. 31	*685,744	855,560	†2.46	5.67	‡1.75	275,695	643,943	29	11¾	6.03
Cons. Oka Sand & Gravel	Dec. 31	a64,127	a97,605	(.72)	(2.30)	...	a15,008	a48,353	..	..	...
Disher Steel Const.	Dec. 31	51,765	101,881	1.37	3.52	...	30,720	b9,994	12 Ask	8¾	...
Dom. Tar & Chemical	Dec. 31	820,972	845,803	1.70	2.34	...	464,243	551,678	11¼	6¾	...
Maritime Tel. & Tel.	Dec. 31	314,338	310,127	.79	.84	.80	d321	51,327	..	..	...
Montreal Lt. H. & Power	Dec. 31	8,943,584	8,737,638	**2.19	4.28	1.50	3,085,805	††3,327,168	63	28¾	2.38
Provincial Paper§	Dec. 31	a516,188	584,468	(2.71)	3.39	1.25	a146,188	339,468	§	..	...
Steel Co. of Canada	Dec. 31	1,741,282	3,538,267	2.80	6.70	1.75	481,541	1,978,526	39	14	4.49

*After depreciation on fixed assets only; in 1929 provision also made for depreciation on securities. †Based on shares outstanding at end of fiscal year. ‡Instituted Dec. 15, 1930 by payment of initial dividend of 43¾ cents. a Subject to income tax. b After $79,813 w/o goodwill and $5,074 organization expense. §Entire common stock owned by Abitibi P. & P. Co. Not listed. **On split stock, 2-1. ††After $500,000 to insurance and contingent reserves. c After preferred dividend on Provincial Paper Ltd., 1930. d Loss or deficit.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Greater Vancouver Water District	Mar. 5	Royal Financial Corp.	4½%	1970	$500,000	96.966	4.67
Chatham	Mar. 5	Gairdner & Co.	5%	20 ins.	190,000	102.203	4.74
Sault Ste. Marie	Mar. 6	Wood Gundy & Co.	5%	15&20-ins.	86,000	101.20	4.84
Hawkesbury	Mar. 5	H. R. Bain & Co.	5½%	20-ins.	16,580	100.11	5.44
Township of York	Mar. 4	Dominion Securities Corp. and A. E. Ames & Co.	5% 5% 5% 5% 5%	10-ins. 15-ins. 25-ins. 30-ins. 30-ins.	93,867 936,875 185,000 154,232 *115,000	100.839	4.89
Montreal	Mar. 10	Chase Securities, Wood, Gundy & Co., Harris, Forbes & Co., Continental Illinois Co., Royal Bank	4½% 4½%	1951 1971	2,500,000 8,570,000	99.207	4.54%
Township of Cornwall	Mar.	J. L. Graham & Co.	5½% 5½%	20-ins. 5-ins.	31,395 860	105.671	4.84
Victoria, B.C.	Mar. 9	Wood, Gundy & Co., Pemberton & Son	5% 5%	12-yr. 10-yr.	40,000 70,000	101.82	4.77%

*Guaranteed by the County of York.

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
City Dairy, Winnipeg	Mar.	R. A. Daly & Co.	6%	1950	$200,000	97	6.25
Notre Dame Hospital, Montreal	Mar.	Provincial Bank	...	10-20 yr.	1,250,000	..	...
Stock Issues—							
Maple Leaf Gardens Ltd.	Mar.	Toronto Maple Leaf Hockey Club Ltd.	7%	†Pref.	700,000	10.00	7.00

†With one share of common with each 5 shares of preferred.

INVESTMENT SECURITIES
T. M. BELL & COMPANY LIMITED
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Vice-President: Jas. B. Woodyatt
Vice-President and General Manager: B. V. Harrison
Directors:
J. H. Black F. O. Blackwell B. V. Harrison Dan. McLachlin
Maj.-Gen. The Hon. S. C. Mewburn, C.M.G. A. J. Nesbitt E. R. Wood
P. A. Thomson N. A. Timmins Jas. B. Woodyatt
Secretary: L. C. Haskell Treasurer: Chas. Johnstone
Assistant Secretary-Treasurer: H. A. Seymour

CONSOLIDATED ANNUAL STATEMENT

Years Ending December 31st

ASSETS	1930	1929
Plant Investment	$33,687,921.05	$31,964,723.15
Cash on Hand and in Bank	36,495.27	45,869.14
Accounts Receivable	362,430.48	450,444.29
Materials and Supplies	243,915.06	246,563.25
Mortgages Receivable	5,100.00	8,200.00
Deferred Charges	107,835.47	78,103.93
	$34,443,697.33	$32,793,903.76

LIABILITIES To the Public:	1930	1929
Funded Debt	$17,000,000.00	$15,000,000.00
Notes Payable	27,164.78	787,308.50
Accounts Payable and Accrued Liabilities	438,945.14	405,307.67
Dividends of Subsidiaries payable January 1931	25,624.75	25,969.00
Preferred Dividend payable 15th January 1931	96,250.00	96,250.00
Common Dividend payable 25th January 1931	56,250.00	56,250.00
Customers' Deposits with Interest Accrued	103,650.63	114,362.91
Bond Interest Accrued	141,666.68	125,000.00
	$17,889,551.98	$16,610,448.08
To the Public Shareholders of Subsidiaries:		
Capital Stock—		
Preferred	$1,515,100.00	$1,530,900.00
Common	267,913.13	319,287.74
Minority Interest in Surplus	19,972.79	25,092.02
	$1,802,985.92	$1,875,279.76
To the Shareholders—Canada Northern Power Corporation, Limited:		
Capital Stock—		
Preferred (7% Cum. $100 each) Callable at 110 and accrued dividend after 60 days' notice.		
Authorized — 75,000 shares.		
Issued and Outstanding— 55,000 shares.	$5,500,000.00	$5,500,000.00
Common (No Par Value).		
Authorized —500,000 shares.		
Issued and Outstanding—375,000 shares.	$1,848,796.00	1,848,796.00
Reserves:		
Depreciation	5,888,286.91	5,339,378.06
Miscellaneous	120,178.60	174,866.04
Paid in by Subscribers to Capital Stock	33,539.59	91,459.00
Profit and Loss	1,360,358.33	1,353,676.82
	$34,443,697.33	$32,793,903.76

REVENUE ACCOUNT
For Year Ending December 31st, 1930.

Gross Earnings		$3,181,504.15
Expenses	$1,021,026.88	
Interest	810,768.72	
Bad Debts	7,940.35	
Balance	1,341,768.20	
	$3,181,504.15	$3,181,504.15

PROFIT AND LOSS ACCOUNT

Balance at Credit, 31st December, 1929		$1,353,676.82
Deduct—Prior Year Adjustment		27,541.67
		$1,326,135.15
Add—Minority Interest Adjustment in previous Surplus		5,764.95
		$1,331,900.10
Earnings for year ending 31st December, 1930		1,341,768.20
Dividends on Preferred Stock of Subsidiaries	$ 90,750.00	
Dividends on Common Stock of Subsidiaries	11,914.25	
Dividends on Preferred Stock	385,000.00	
Dividends on Common Stock	225,000.00	
Minority Interest of Subsidiaries in Annual Surplus	645.72	
Depreciation	600,000.00	
Balance at 31st December 1930	1,360,358.33	
	$2,673,668.30	$2,673,668.30

Audited and certified in accordance with our certificate dated February 27th, 1931.
(Signed) P. S. Ross & Sons,
Chartered Accountants.

Approved on behalf of the Board: A. J. NESBITT, JAS. B. WOODYATT } Directors

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Branches:
Quebec Winnipeg Regina Edmonton Vancouver
HON. SIR H. LAPORTE, Pres. J. THEO. LECLERC, Gen. Manager

Canadian Locomotive Company

LIMITED

NINETEENTH ANNUAL REPORT

Balance Sheet at the 31st December, 1930

ASSETS

Fixed Assets—		
Land, Buildings and equipment as valued by the Canadian Appraisal Company, Limited, at the 30th June, 1924, together with net additions to the 31st December, 1929	$4,121,498.08	
Net additions during year	69,590.90	
	4,191,088.98	
Goodwill	1,000,000.00	
		$5,191,088.98
Sinking Fund Investment Account—		
$367,700.00 Company's First Mortgage Bonds purchased and held by Trustees — Cost	358,800.68	
Cash in hands of Trustees, including January, 1931 coupons and portion of Cash paid to Trustees during January, 1931	18,721.46	
		377,522.14
Investments—		
Grand Trunk Railway Perpetual 4% Consolidated Debenture Stock, Guaranteed by the Dominion of Canada, par value £161,000 -/ -/ —at Cost	668,111.82	
Province of Ontario 4½% Bonds due 15th May, 1967 — at Cost	96,510.00	
Canadian National Railways 4¾% Bonds, due 15th June, 1955 — at Cost	253,200.00	
Grand Trunk Pacific Railways 3% First Mortgage Gold Sterling Bonds, Guaranteed by the Dominion of Canada, due 1st Janaury, 1962—at Cost	66,637.14	
(Market Value — $1,080,944.51)	1,084,458.96	
Add: Net Amortization of Bond Discounts and Premium	160.31	
	1,084,619.27	
Add: Accrued Interest thereon to date	1,087.67	
		1,085,706.94
Current Assets—		
Inventories of Work in Process and Material and Supplies valued at Cost or Market whichever is lower, as certified by Officials of the Company	434,134.72	
Trade and Miscellaneous Accounts Receivable—less Reserve	176,489.03	
Cash in Banks and on Hand	13,044.81	
		623,668.56
Deferred Charges to Future Operations		30,243.59
		$7,308,230.21

CAPITAL AND LIABILITIES

Capital Stock—		
Authorized: 35,000 shares of $100.00 each $3,500,000.00		
Issued:		
15,000 7% Cumulative Preference Shares, fully paid	$1,500,000.00	
20,000 Ordinary Shares, fully paid	2,000,000.00	
		$3,500,000.00
First Mortgage 6% Forty Year Gold Sinking Fund Bonds, Due the 1st July, 1951—		
Authorized $2,000,000.00		
Whereof Issued		1,500,000.00
Current Liabilities—		
Bank Loans—secured	640,000.00	
Trade Accounts Payable, Wages, Reserve for Income Tax and other Miscellaneous Balances	205,167.43	
Bond Interest Accrued Coupon No. 39 (paid the 2nd Jaunary, 1931)	45,000.00	
		890,167.43
Reserves—		
General Depreciation	750,000.00	
Sinking Fund	377,522.14	
		1,127,522.14
Profit and Loss Account—		
Balance at Credit thereof—Statement II		290,540.64
		$7,308,230.21

NOTE:—Dividends on the 7% Cumulative Preference Shares have been paid up to the 31st December, 1929.

WM. HARTY, Director. WM. CASEY, Director.

AUDITORS' REPORT AND CERTIFICATE

To the Shareholders, Canadian Locomotive Company Limited, Kingston, Ontario.

We have examined the books and accounts of the Canadian Locomotive Company, Limited, for the year ended the 31st December, 1930, and in accordance with the Companies' Act (Dominion) we report that we have obtained all the information and explanations we have required and that, in our opinion, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at the 31st December, 1930, according to the best of our information and the explanations given to us and as shown by the books of the Company.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

Dated at Toronto, Ontario.
23rd February, 1931.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED THE 31st DECEMBER, 1930

NET PROFIT for the year ended the 31st December, 1930, after allowing for estimated Income Tax, but before providing for depreciation and other items as shown below		$374,209.37
Add:		
Interest received on Investments plus Net Amortization of Bond Discounts & Premium	$ 52,352.99	
Profit on Sale of Investments	13,005.20	
		65,358.19
		$ 439,567.56
Deduct:		
Bond Interest	$ 90,000.00	
Provision for Depreciation	150,000.00	
		240,000.00
NET PROFIT for the year ended the 31st December, 1930		199,567.56
BALANCE AT CREDIT 1st January, 1930		105,973.08
		305,540.64
Deduct Appropriation: For Sinking Fund		15,000.00
BALANCE AT CREDIT — Statement I		$ 290,540.64

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editor—FLOYD S. CHALMERS

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TORONTO, MARCH 12, 1931

ANOTHER GRAIN PROBE —BUT INTO WHAT?

CANADA has already had more investigations into the grain business than into any other branch of our economic activity. There are millions of words of evidence and reports available on grain and there is practically no phase of the grain business—except very recent developments—that has not been probed to the bottom. But grain investigations are popular with Governments because they have a tendency to keep the grain growers' attention absorbed during a period of crisis. By the time the commission has reported, the emergency that called it into being has usually passed. There is usually less attention paid to the report itself than to the evidence submitted.

We are apparently going to have at least one more invesigation of the marketing of grain in Canada. There seems to be a general impression that the chief subject of the probe will be the operations of the Winnipeg Grain Exchange and the private grain corporations. These organizations have already indicated their willingness to co-operate in any investigation that is undertaken. Yet it is difficult to see what can be uncovered regarding their operations that is not already public property. The nature of their operations has been revealed on many occasions at grain investigations, in public addresses, annual reports, etc. What then is there to investigate?

The one organization that has never been the subject of a thorough and independent investigation by a public commission is the wheat pool. A complete study of its affairs would be of public service. Also the proposed compulsory pool, now urged in the West by those wheat pool propagandists who wish to find a cover for their own failures should be subjected to close economic analysis before being undertaken. A third subject that might be frankly studied by a non-political economic commission would be the whole question of Canada's future in wheat growing, the nature of foreign competition now experienced and likely to be experienced, the use of machinery in wheat growing, etc. Likewise the possible effect of the St. Lawrence development and the opening of the Hudson's Bay route on the costs of grain transportation might be reviewed.

None of these subjects can be adequately investigated by any one but outstanding economists. The suggestion that Sir Josiah Stamp has been asked to head up the commission is intriguing. No one in the grain business in Canada—growers, handlers, carriers, or merchandisers—should object to an outstanding economist of world wide reputation heading a non-partisan independent grain investigation commission. If grain is to be investigated again by all means let it be investigated by some one with experience but without prejudice.

SOVIETS WATCH CANADA

EVERY development in the field of business or agriculture in Canada, that has any bearing on world competition, is carefully studied by economists in the employ of the Soviet republics. The Soviets have a trade agency in Canada and it may be taken for granted that extensive reports on what is going on in this country are sent to Moscow. It will interest readers of The Financial Post to know that no less than five copies of The Financial Post are subscribed for each week by five different institutes and organizations for economic research in Moscow, all of which, it may be presumed are branches of the Soviet Government. Orders for copies of The Financial Post Year Book of Canadian Business have been received from Moscow and one Soviet organization, ordering its copy of the book, pays high tribute to the tremendous volume of Canadian business information that is contained therein and states that it has found previous editions most valuable. Thus the Soviet have available authoritative and timely information on developments in business, finance and agriculture in this country.

What do we in this country know about what is going on in Russia? What we know is chiefly what the Soviets want us to know. The Soviet propaganda organization works unceasingly and is active in Canada. It is now being aided and abetted by large corporations desiring to trade in Russia. These are chiefly American corporations, which are benefitting from Russian organzations without suffering from the ill-effects of Russian competition. Apart from this propaganda, practically no exact and independent data on Russian development is available to us in Canada.

This situation suggests that the Canadian Government might well be expected to give the Canadian agriculturists and Canadian business men some occasional authoritative information on Russian development. This would be difficult to get and a very comprehensive, continuing service would be beyond the powers of our own Government. What applies to Canada also applies to the United States. Even that government is falling down in giving to the business men it serves the real truth about Russia. It might be that the United States, British and Canadian Governments could work together to provide the business men of their respective countries with information that it is vital to them if they are to compete with Russia. Russia knows what these countries are doing but these countries do not know what Russia is doing.

GOVERNMENT ANNUITIES

IN THE past few weeks substantial evidence has been presented on the insurance page of The Financial Post, to illustrate practices of the Canadian Government Annuities branch at Ottawa. It has been shown that this department has wandered far from the original purpose of providing "facilities whereby the people of Canada might be aided and encouraged to make provision for old age," and is employing a highly-paid staff of salesmen, operating in leading cities of the Dominion, to sell annuity plans to rich and poor, at rates thoroughly inadequate to meet present-day actuarial requirements. Not only are these rates in themselves inadequate, but they include no loading for expenses, all of which are paid by the Government out of consolidated revenue funds.

Furthermore, it has been shown that the reserve basis as used by the Government is inadequate and is considerably below the standard required by the Dominion insurance department for all companies operating under dominion license in Canada. If the fund had to be wound up today it is estimated that it would require about $1,500,000 of Government funds to meet its obligations. and although this will cause no apprehension among annuity holders since each annuity is guaranteed by the Government itself, the future liability being created against the public funds is very large.

The Financial Post believes that there is not the least justification for this state of affairs being continued. So long as the annuity branch operated in a small way through existing post office facilities, no objection was taken to paying nominal expenses of such an undertaking out of public funds. But when $3,000,000 to $4,000,000 of business is being written annually by an expensive organization at inadequate rates, and without the putting up of sufficient reserves, there seems no excuse to continue the present and potential drain on the public funds for the benefit of the fortunate few who purchase these pensions at bargain prices.

At the present time the annuities branch is operated entirely independently by the Department of Labor. A few blocks away is the Department of Insurance under which all other insurance and annuity organizations operating on a Dominion-wide basis must operate. If the Government wishes to find out exactly how much money the annuities branch is losing each year, all that would be necessary would be for an insurance department inspector to demand from the annuities branch the same information that is asked from any Canadian company, and the unsound practices would very shortly be uncovered. If the Bennett Government wishes to eliminate unnecessary expense the annuities branch is one place where a reform would help the taxpayer.

IMMIGRATION POLICY IS DRIFTING

THE department of immigration has finally released immigration figures for the calendar year 1930 and they indicate a decline in new arrivals from around 160,000 to just over 100,000. Some of this decline would have occurred in any case as a result of the depression in this country but the drop was accentuated by the new restrictive policy of the Dominion government. Only slightly more than 2,000 people entered Canada in December and that the last month of the year also showed the greatest percentage decline from 1929, the drop in that month being about 60 per cent below December, 1929. It will be surprising if immigration to Canada totals 75,000 during 1931 and it will total less than that if Mr. Bennett and his minister of immigration, Hon. Wesley Gordon, can control the movement. They have no intention of encouraging, in any way, the immigration even of agricultural workers and domestic servants, which have up to the present been exempt from any scheme of immigration restriction.

Immigration restrictions as an emergency policy to meet a temporary situation may have some merits, although there are two sides to that question. The public is generally of the opinion that in a time when unemployment and declining public revenues coincide large appropriations should not be spent on bringing in new citizens who may not be immediately absorbed into self-supporting productive work in the Dominion. That immigration restriction is not unpopular is shown by the public's quiet acquiescence in the policy. But some of the arguments that are being used to support the present policy are unsound. The minister himself has stated that the 168,000 new citizens, who came into Canada in the 1930 fiscal year, took jobs away from 168,000 Canadians. The assumption that there are only so many jobs in a country presupposes that the country is stagnant and has reached the limits of its economic growth. It would be as sound to argue that foreign companies should not be allowed to build new factories in Canada because their products will replace the products of existing Canadian plants.

So long as the major portion of Canadian natural resources are undeveloped; so long as there are world markets for us to tap, there can be no limit to economic expansion in this Dominion and no limit to our need for new people, new capital and new resources in intelligence, experience and technical knowledge.

A real danger is that our present restrictive immigration policy, which gradually developed under the King administration and has been finally intensified under the Bennett regime, will become a permanent part of Canada's political economics. The country, under the leadership it has had from Ottawa, is being made to believe that immigration is a barrier rather than an aid to prosperity. By the time we have gone through two or three more years of a closed door policy the country may have resigned itself to the lazy opinion that activity to promote immigration to Canada is no longer necessary or proper. Such a view would be a departure from traditional policy in Canada or in other young and developing nations. If such is to be our policy it should be deliberately fixed and the country should not be permitted to drift into it.

ASBESTOS INDUSTRY—THE WAY OUT

BEFORE the war a large number of asbestos producing mines in Thetford Mines district of Quebec were merged to form one large merger. A later merger brought in other companies and set up a still larger unit. After the war an attempt was made to bring in all the independent mines into the merger but this attempt failed, although some of the principal companies joined with the previous combine to form a still larger company. But merger after merger have failed to make the asbestos mining industry profitable in Canada. Asbestos Corporation has been forced to defer interest on its bonds and there is little prospect of early improvement.

In 1924 when competition from the Rhodesian mines became acute, the suggestion was made by the head of the Canadian asbestos industry that the Provincial and Dominion Governments should intervene, to set up a control board to regulate production and fix selling prices. Fortunately such an unsound scheme was avoided. While there has been keen competition between the different producers in Canada, this competition is not chiefly responsible for the present serious condition of the industry. Even had an attempt been made to regulate production in Canada and fix prices, our markets in United States and in Europe would have been invaded by producers in South Africa, Russia and even in the United States.

It is now proposed that the Canadian asbestos producers should join with the Rhodesian producers in a cartel to regulate production and prices and prevent the price cutting that has been going on in recent years and that has sapped many of the companies of their liquid financial resources. But it is useless to talk of monopolistic price fixing arrangements with regard to asbestos. Looming on the horizon is still another important competitor, Russia, which has large asbestos deposits being actively developed under the five-year plant. If Rhodesia and Canada fix prices and sit back waiting for customers to come to them they will find that these customers will go to Russia for their needs.

Such artificialities had better be avoided. Economic laws that apply to the agricultural industry and to manufacturing industries, and, which have recently demonstrated themselves to Canadians in wheat and newsprint will continue to rule in the asbestos industry. The only true regulator of production and the chief influence on price is supply and demand.

We have been proud for many years of our position as a producer of 90 per cent of the world's asbestos. This is somewhat of a poetic exaggeration as we have not produced by any means 90 per cent of the first-class asbestos of the world. Nor can we claim to have developed 90 per cent of the known deposits.

The asbestos industry in Canada suffered in its early days from stock jobbery and in recent years from inefficient mining and sales methods. The present management of the largest unit in the trade, Asbestos Corporation, have not been in office long enough to permit of their work to be accurately appraised, and therefore this criticism cannot be fairly considered as applying to them. The solution of the problems of the industry is the same as the solution of the problems in wheat, newsprint and other fields—lower costs, the best possible product, intelligent merchandising and an avoidance of attempts to attain prosperity by uneconomic artificiality.

* * *

J. M. Keynes, British economist, who recently remarked that "every time you save five shillings you put a man out of work for a day," is chairman of a life insurance society. It is noted that the society has not yet suggested to its members that they cash in their insurance policies and relieve unemployment by spending the money.

Calvin Coolidge Says:

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FEW people seem to realize that politics is an art. While they are particular to have even unimportant professions examined and licensed they take little heed of the training and qualifications of those who seek elective office. It is usual to sneer at the politician and utterly to condemn the practical politician.

Knowing what ought to be done is different from knowing how to do it. The trained business man and experienced lawyer often fail in public life. Business buys what it wants and gives orders. The law demands its rights. Politics can only plead for support. It makes an appeal to a combination of a sense of duty and self interest. Men like Jefferson, Lincoln and Speaker Reed who made a profound impression on public affairs gained their success by a lifelong study of the art of politics. They knew how to get the people to take action. More care in selection and less unmerited abuse of public officers will be required to conduct our increasingly complicated government.

THE special commission to present a plan for equalizing the burdens of war has an intricate and difficult problem. Everyone would like to see some policy adopted to prevent one portion of our people from profiteering while another portion is bearing arms.

But a complete equalizing of rewards or sacrifices either in war or peace has always been impossible. Only a small portion of man power can be drafted without a complete breaking down of the economic system. The same is true of property. Taking too much at once would so impair the remainder that the country would be defenceless.

High taxes during the war were a draft of wealth. That will go on for generations. Much of it will go to veterans. Much wealth that is intangible like the necessary credit structure cannot be seized. The Soviets seized everything in Russia from the throne down, destroyed credit and produced universal bankruptcy. Physical properties are useless without the intelligence to operate them. It will be difficult to conscript the mind.

While increase in prices may be necessary to stimulate war production surely some plan can be found to curb future abuses.

AMONG the other deflations that have taken place in the past months there appears to have been a very wholesome deflation of a spirit of too much arrogance. Individuals and nations are not so self-satisfied as they were. They are more tolerant, more humane and more charitable one toward another.

In the reaction the world has gone through the period when nearly everybody was engaged in helping themselves with little regard for anybody else. An excessive nationalism and excessive individualism were apparent. They continued into the first phase of the business decline. If they are not yet entirely dissipated they have been modified by the more reasonable attitude of concession and co-operation. Friendly individual interest has furnished credit. Charity has given relief. Diplomatic negotiation has solved problems of armament and colonial relationship which were insolvable under the reign of arrogance.

In the midst of deflation the world has made a moral progress. It is probable that this arrival of reason marks the turning point. We are entering the second phase where men and nations realize that they need the help of each other and that salvation must be sought in helping each other. When people work together nothing is impossible.

CALVIN COOLIDGE.

POST-scripts

A BANDIT who recently robbed a branch bank in Montreal successfully forestalled immediate pursuit by making the clerks take off their trousers. The incident was not without its news value but the tact of editors was sorely tried. One paper made no bones about the matter and stated in its headlines "Forces clerks to remove trousers." The editor of another paper, evidently striving for more delicacy, toned down his headlines to "Compels clerks to partially undress." In achieving this nicety, however, he evidently failed to notice a large split in his own infinitives.

IF TRUTH is stranger than fiction this story is strange enough to be true. A Toronto lawyer vouches for it. He says that he was driving from Montreal to Toronto not long ago when he was hailed by a man walking on the road who asked for a lift, a request to which the motorist gladly acceded since he felt that company would help to pass the time away. The car was buzzing along the road at a graceful sixty miles an hour when it was overtaken by a motorcycle policeman who jotted down the name of the motorist, the number of his car and other particulars in his little black book.

After they had resumed their journey the lawyer said to his friend passenger, "That is a tough break; it is going to cost me just about $18."

"Don't worry; it won't cost you a cent," said his passenger reassuringly. "Just keep this to yourself, but the truth of the matter is that I am a pickpocket by profession and I am just on my way to Toronto to do a little business."

The motorist turned to look at him. In the pickpocket's hand was the traffic officer's little black book.

Which recalls an experience of a member of the staff of The Financial Post who was stopped by a motorcycle officer on a main thoroughfare in Baltimore. While the Post man was trying to figure out what the fine might be in Baltimore for doing 40 miles an hour inside the city limits, the officer said, "What part of Canada do you come from?"

"I come from Toronto."

The officer replied, "And how is everything in Toronto? I used to be a mechanic in the air force there during the war and when I saw you coming along the road I just thought I'd stop you and ask you to drink a glass of beer for me when you got back home. Good-by; give my love to the folks in Toronto."

THAT good old English word "either" used in the sense of both, has been officially displaced from the language by the Government of the Province of Ontario. A bill has been presented to the provincial house (and no doubt will be passed) changing the wording of the clause that provided that in certain surveys there must be one undisputed point on either side. Now the clause will read "on each side."

But the Lady of Shalott will still be able to see long fields of barley and of rye that "on either side the river lie." But what the Government is doing, Fowler's English Usage had already done. Fowler says this use of either is archaic and should be avoided except in verse or in special contexts. Apparently legislation is not a special context.

BRIT. AND CANADIAN BANKS NEAR TOP

Rank Near First on Basis of Size of Dejosit Liabilities

Six British banks and three Canadian banks are included in the first 20 of the 150 largest banks in the United States, Great Britain and the British dominions. The banks are ranked according to the extent of deposit liabilities as at December 31, 1930, in the list which is compiled by the California Bank.

The Royal Bank, with deposits of $727,191,166, is number 13 in the list, with the Bank of Montreal next in order with deposits of $662,345,545. The Canadian Bank of Commerce is in nineteenth place, having deposits of $555,870,590. The Bank of Nova Scotia is 52 on the list, the Imperial Bank is 95, Banque Canadienne Nationale is 96, Dominion Bank is 99 and Bank of Toronto is 106.

The Chase National Bank heads the list with deposits of $2,073,775,923 followed by the Midland Bank of London, Eng., which had deposits of $1,953,659,515. Lloyds Bank and Barclays Bank rank third and fourth, followed by the National City Bank of New York. National Provincial Bank and Westmminster Bank, followed by the Federal Reserve Bank of New York complete the first nine banks which all have deposits in excess of $1,000,000,000. The Bank of England in twelfth position has deposits of $852,558,032.

New Books

"Tape Reading and Market Tactics"

That trading instinct that enables some men to read the probable action of the stock market from the feel of the tape is apparently not psychic after all. The vice-president of the Wetsel Market Bureau has written a volume that sets forth what he believes to be principles of tape reading that will guide stock market speculators to their goal of profit. At least, it is stated on behalf of the author that during the bear markets of 1930 he enjoyed the experience of adding substantially to his profits. The Financial Post is unable to state whether or not the methods suggested in this book are practical, sound or workable. Speculation in the New York stock market is not in the field of study and service of a strictly investment paper. Yet many thousands of Canadians are trading daily in New York stocks. If they are determined to enjoy the thrills of this practice they should at least arm themselves with whatever ammunition that is available in the form of advice and research based on experience. Mr. Neill's volume is interesting and his analysis of the forces at work in the making of stock market prices is undoubtedly accurate. He has attempted to indicate how these forces can be seen at work on the tape, which is of course merely a continuous record of the successive transactions taking place on the floor of the New York Stock Exchange. If his analysis of tape reading contains as much homely wisdom as his discussion of speculative psychology the book may be of real value to traders.

"Tape Reading" is published by B. C. Forbes Publishing Company, 120 Fifth Avenue, New York, at $3.

High Taxation Kills Urge to Hard Work

By LORD LUKE of PAVENHAM, at annual meeting of Bovril, Ltd.

Many of my contemporaries formed their business habits when the income-tax was about 1s. in the £. Those habits included hard work, often for 12 hours a day, especially when getting round difficult corners, enabling them to acquire that most precious asset in business—prompt, sound judgment. The hard work habit, once formed, sticks to many of us who have still remained in business; those who sold out during the post-War boom their individualistic businesses (to financiers who formed great combines) were probably, from their own personal point of view, wise, especially if they found interesting occupations, such as philanthropic work or politics, which need not be so harassing. But I believe the passing out from commerce of such brains has diminished initiative and judgment in the control of business, and I do not see that these qualities are likely to be reproduced in the younger generation with the present atmosphere of lack of inducement.

The picture before the young man to-day is that if he works hard from 18 to 50, and eventually earns, or derives from his savings, a large income, he will pay about half of it in taxes, and, as taxation on the larger incomes has been progressive, he may well feel that it may be much higher by the time he reaches the big income stage. On the other hand, the young man in business sees all round him opportunities of enjoying himself in spare time if he cuts short his work day and does not exhaust himself during those business hours.

The idea of winning a £10,000 income some day has somewhat the same effect as the big prize in a sweepstake, with the exception that it requires sustained industry and a certain amount of skill; but, just as there would be no sweepstake entries if there was no big prize, the curtailment of big incomes means a reduction of that extra effort that is needed in order eventually to reach them.

New Firms in Nova Scotia

During the fiscal year ended September 30 last, 129 new companies were formed in the Province of Nova Scotia as compared with 118 for the previous year.

Other People's Views

The Farmer's Plight

Commerce and Finance, New York: One of our subscribers in Saskatchewan writes us an indignant letter of protest against the prophecies of "influential men" who say a few weeks or months will see a wonderful improvement in business conditions in Western Canada. He can see no earthly chance for conditions to improve in the next nine months and asserts that the worst is yet to come. He calls the Canadian Wheat Pool "the most colossal failure of modern times." He cites these prices for grains at Fort William: Rye, 19c to 25c; barley, 13c to 25c; oats, 14c to 25c; wheat, 37c to 53½c. It costs 13c to market rye, barley and wheat and 10c for oats, which must be deducted from the above prices to find out what the farmer gets. As for prices the farmer pays for his purchases, he figures a bushel of rye worth about a pound of sugar, with other things in proportion.

Duty of Mining Men

Canadian Mining Journal.—How long will mining remain a mark for the unscrupulous company promoter? A few years ago numerous mining men averred that he was a necessary evil and that, moreover, it paid to have him in spite of obvious disadvantages, as he loosened up a good deal of hard cash for prospecting and preliminary development that otherwise would not have become available. Today the opinion is all but unanimous that the industry has paid dearly for any money gained, directly or indirectly, through the offices of these light-figured gentry. So it is with few regrets that we see the list of "mining" incorporations brought down to one-sixth of its former number and less than one-twentieth of the share value.

If we of the mining profession will take pains to tell the truth about the looser sort of mine promotion, in good times as well as in bad, we shall both earn the gratitude of the public and protect the best interests of our industry.

Representative Canadian Bonds

Dominion of Canada
(Guaranteeing Canadian National Railway.)
4½% Gold Bonds, due February 1st, 1956.
PRICE: 100 and accrued interest, to yield.... 4.50%

Province of Ontario
5% Gold Bonds, due October 15, 1948.
PRICE: 105.50 and accrued interest, to yield.. 4.55%

Maclaren-Quebec Power Company
5½% First Mortgage Bonds, due February 1st, 1961.
PRICE: 95 and accrued interest, to yield..... 5.86%

Dairy Corporation of Canada, Limited
6% Sinking Fund Gold Debentures, Series "A," due July 1st, 1945.
(Carrying Stock Purchase Warrants.)
PRICE: 97 and accrued interest, to yield...... 6.32%

Consolidated Press, Limited
6½% Sinking Fund Convertible Gold Debentures, due June 1st, 1949.
PRICE: 103.00 and accrued interest, to yield.. 6.23%

London Realty Company, Limited
6½% First Mortgage Sinking Fund Gold Bonds, due May 1st, 1950.
PRICE: 100 and accrued interest, to yield... 6.50%
(Federal Transfer Tax to be added)

Full particulars upon request.

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Corn Products
*Delaware and Hudson
*du Pont
*Eastman Kodak
*General Electric
*Ingersoll-Rand
*International Harvester
*International Telephone
*National Biscuit
*New York Central
Norfolk & Western
*Northern Pacific
*Otis Elevator
Pennsylvania Railroad
Sears, Roebuck
Southern Pacific
Southern Railway
*Standard Oil—New Jersey
*Texas Corporation
*Underwood Elliott-Fisher
*Union Carbide & Carbon
Union Pacific
*United Fruit
*United Gas Improvement
*United States Steel
*Westinghouse Electric
*Youngstown Sheet & Tube

*25 of these 40 companies have substantial investments and carry on a growing business in the Dominion of Canada.

THE consuming power of Canada and the United States is increased by over 15 million additional population every ten years. Always more people using railroads, automobiles, telephones . . . more people buying food and gasoline . . . more people building houses, paying electric light and gas bills. Certain great corporations, more than others, benefit by this steady, normal increase in demand for their products and services.

Normal increase is one factor which creates growing values, but there is also another value-building factor . . . the ability of great corporations to stimulate new demands, create new products and find new uses for old products. Again certain great corporations, more than others, are new business stimulators.

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GROWING POWER PLUS EARNING POWER
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The Week in Business

Lower Wages Probable
Fish Tax Ultra Vires
Motor Industry Revives

A DECISION of very real importance to business interests in the papers, of Great Britain and the United States have frankly attacked the delicate question of wage rates, and have stated their belief that before business can fully recover from the present depression, there must be a reduction in the present high scale of wages. To hear this doctrine asserted in the United States is particularly important for there has been a determined effort in that country to cling tenaciously to the theory that the high standard of living achieved by wage-earners and its attendant prosperity has banished forever the possibility of a reduction in wage rates. It was on similar theories that business cherished the hope, two years ago, that we had overcome depression cycles.

Already both in Canada and the United States, the standards of living of large numbers of the working population have been lowered drastically by the business depression, in spite of the maintenance of high wage rates. In other words, although the average workman still considers himself a five-dollar-a-day man, the fact that he is only working three days a week, has had the same effect as if his wages had been cut in half. Yet the production costs of business remain high because whatever goods are produced, carry the now-artificially high level of wages which was reached in the hey-day of our prosperity. Such a process can not continue indefinitely and even though the carrying out of a reduction in nominal wages would undoubtedly be distressing as far as labor and capital are concerned there are many thinkers who are swinging around to the belief that some reduction cannot be avoided. The alternative is hgher prices to carry present wage scales. But raising the price level is another question. It means, possibly, world inflation.

* * *

WITHIN the past few weeks, leading articles in two foremost Maritimes has been handed down this week, in the supreme court ruling that the tax on trawler-caught fish is ultra vires the federal fisheries department which imposed it. The tax had been resisted by one of the leading fishing companies of Halifax and its contentions have been upheld by the courts. The tax was imposed by order-in-council in November, 1929, and levied a tax of either one cent or two-thirds of a cent a pound on all trawler-caught haddock, cod, halibut landed at Canadian Atlantic ports except during January, February and March. Disinterested business opinion has always tended to the view that the regulation was nothing more than a political move designed to curry favor with the large population of voting on-shore fishermen, and that there was no real economic basis for such a tax which merely handicapped the Canadian fishing industry to the great advantage of French and American trawlers who compose 90 per cent of the Atlantic trawler fleet. The removal of the tax removes an unnecessary burden from an important phase of Maritime business.

* * *

ANOTHER interesting development during the past week has been the trek of automobile and truck manufacturers to Canada and the further tendency of dealers to desert foreign-made cars in favor of a Canadian-made product. In order to maintain a dealer organization of 616 members throughout Canada, Hudson-Essex are planning a working agreement to manufacture their cars at the big Durant plant at Leaside, while several truck firms have announced their intention to commence assembly in this country. On the other hand, several dealer organizations have been reported as switching to Canadian-made motor products since they apparently do not relish the prospect of having their commission cut arbitrarily to 20 per cent. Prospects for the industry for 1931 are still very uncertain with manufacturers operating on a strictly hand - to - mouth basis, and therefore well able to take care of every contingency.

Printing and Publishing Industry Expanded in 1929

Statistics for 1928 and 1929 on Canadian newspapers and periodicals which print their own publications have just been issued by the Dominion Bureau of Statistics and show a substantial growth in the industry during 1929.

Production increased in value to $73,673,338 in 1929 from $67,879,806. Sales and subscriptions produced a revenue of $15,461,927 in 1929 while advertising amounted to $45,966,586. Job printing, book binding and similar work accounted for the remainder. Capital invested by 767 establishments in 1929 is reported at $65,736,238 which compares with $60,822,600 invested in 753 firms in 1928.

	1929	1928
Establishments	767	753
Capital employed	$65,736,238	$60,822,600
Total No. employed	16,960	16,113
Salaries & wages	$26,407,204	$24,243,966
Cost of materials	$16,424,412	$15,696,759
Value of products	$73,673,338	$67,879,806

Business Conditions in Canada

RUSSIA LEADS AS PURCHASER OF IMPLEMENTS

Canada No Longer Best Customer of U. S. A. in 1930

For the first time since 1925, Canada failed to be the largest market for American agricultural implements, having lost first place to Russia in 1930, according to a survey of the export trade in American farm equipment prepared by the U. S. Department of Trade and Commerce. Exports in this group from the United States to Canada during 1930 amounted to $24,488,000, the smallest amount taken by this country since 1926 and 35 per cent less than the 1929 figure. Russian purchases consisted chiefly of tractors and harvesting machinery, the total value of exports running to $41,640,000 as compared with $20,121,000 the previous year, an increase of over 106 per cent.

In addition to unfavorable financial conditions and low grain prices, it is reported that a large carry-over of implements from the 1929 season, particularly in tractors and harvesting machinery, lessened the demand for American implements in Canada during 1930. Tractors and parts comprised almost half the total value of American farm equipment purchased by the Dominion, amounting to $11,872,000 as compared with $16,796,000 in 1929. Of this amount, 9,188 machines valued at $7,712,000 consisted of wheel tractors, 7,111 of which were of the 15 to 32 h.p. type. Purchases of track-lying tractors amounted to $1,565,000.

Next to tractors, harvesting machinery was the most important in the Canadian purchases. Purchases of this type of machinery amounted to $4,000,000 of which combines amounted to 1,531 units valued at $2,246,000. Purchases of harvesters and binders amounted to 3,368 units, valued at $717,000 and miscellaneous harvesting equipment reached the total of $891,000. Cultivating and pillage equipment was also important, purchases in this line amounting to $3,679,000 of which plows accounted for $1,417,000. Purchase of dairy equipment was valued at $1,496,000, poultry equipment at $581,600 and threshers and feed separating machinery at $1,335,000.

Tractors 85 Per Cent

During the year the value of tractors and parts exported to Russia from the U. S. A. amounted to $35,754,714, as compared with $17,359,956 during 1929. The 1930 amount made up more than 85 per cent of the total Russian purchases of farm equipment and was 50 per cent of all the tractors exported from the United States during the year. Wheel-tractors made up the bulk of the tractor purchases, 20,447, valued at $22,680,725, being received during the year. The 15 to 32 horsepower model was the most popular, 14,734 machines, valued at $15,440,620, being purchased, while the 33 horsepower and over amounted to 3,671 units, valued at $5,454,799. Purchases of tracklaying tractors amounted to 2,589 units, valued at $7,806,579, as compared with 1,057, valued at $3,456,211 in 1929.

The remaining Russian purchases consisted chiefly of harvesting machinery and equipment. Combines accounted for 1,376, valued at $1,911,794, as compared with 435, valued at $700,791 in 1929. The value of miscellaneous harvesting machinery imports in 1930 was $455,974. Thresher imports amounted to 169, valued at $243,063.

1930 VEGETABLE PACK IS UP 64.8 PER CENT

Fruit Pack Decreased By 11 p.c.; Value of Exports and Imports Lower

The 1930 pack of canned vegetables in Canada exceeded by 64.8 per cent the size of the 1929 pack, according to an interim report made by the Dominion Bureau of Statistics. The pack of canned fruits, however, showed a drop of 11 per cent in volume. Imports of canned vegetables showed a substantial drop in both volume and value while the volume of canned fruits imported increased, the value being slightly under that of 1929.

The vegetable pack, exclusive of canned soups, amounted to 9,272,480 cans in 1930 and 5,626,098 cans in 1929. The pack of tomatoes increased 104 per cent to 4,025,283 cans; peas increased 165 per cent to 2,553,983 cans and corn gained 19.5 per cent. The only item to show a decline was baked beans. Of the total pack, Ontario supplied 73 per cent, British Columbia supplied 13.8 per cent, Quebec had 11.5 per cent, the prairie provinces 1.2 per cent and the maritimes only 11,628 cans as against 22,470 cans in 1929.

Imports of canned vegetables were lower at 16,976,678 lbs. valued at $1,461,185 the 1929 figures being 23,105,280 lbs. with a valuation of $2,037,391. Exports consisting chiefly of tomatoes and beans dropped in volume to 9,960,398 lbs. from 21,392,263 lbs. in 1929 while the value of exports was cut in half at $631,015 as against $1,272,445 in 1929.

The fruit pack of 978,570 cans was 122,618 cans or 11 per cent below that of 1929. Canned apples dropped from 331,691 cans in 1929 to 20,957 cans, most of which was loss in Ontario. Canned pears, peaches and cherries all showed good increases. Imports increases to 42,015,895 lbs. valued at $2,954,415 from 40,510,264 lbs. valued at $3,172,055 in 1929.

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Seasonal Activity Well Under Normal

	Canada	United States
Commodity Prices:	Hog market strengthens after drop to lowest level since 1915.	Farm and food products and copper prices cause first gain in 1931 in wholesale index.
Iron and Steel:	Railway contracts will keep manufacturers busy for some weeks.	Pig iron output increased 10 p.c. in February but remains well under past years.
Car Loadings:	January and February total is 16.4 p.c. under same period in 1930.	17.6 p.c. below volume in first two months of 1930; 23 p.c. under 1929.
Employment:	Improvement slight; demand being for skilled workers.	Industry, operating on spring orders, eases unemployment situation slightly.
Stock Markets:	Reaction from February high level is gradual.	Market hesitates due to lack of definite signs of business recovery.
Credit:	Requirements of industry and traders comparatively small.	Lower money rates and smaller demand for credit aid placement of bonds.
Week's Highlight:	Reports from Ottawa suggest 4 or 5 p.c. sales tax with few exemptions rather than turnover tax.	Seasonal business activity fails to indicate early or continued uptrend toward normal conditions.

Revenue From Sales Tax Estimated at $15,000,000

Lower Tax and Declining Business Cause Sharp Decline —Past History and Present Position of Tax Outlined

Revenue from the federal sales tax in the fiscal year ending Mar. 31, 1931, will in all probability not exceed $15,000,000 on the basis of preliminary figures covering the first eleven months of the fiscal year. This represents a drop of about $30,000,000 from a year ago when business was about 20 per cent brisker and the tax was 2 per cent as against 1 per cent, which has been the levy since the Dunning budget was brought down in May, 1930. In view of the indications from Ottawa that a 4 or 5 per cent tax will be levied at the next budget instead of the much-discussed turnover tax, a review of this tax is therefore of interest to business.

The tax was first inaugurated in 1920 and the revenue collected in the year ending Mar. 31, 1921 was $38,128,000. At that time a 1 per cent tax was levied on wholesale and manufacturers goods. The following table shows the amount of revenue collected by the sales tax in the various years since it was instituted:

Revenue Collected From Sales Tax

Years End. Mar. 31	On Domestic Goods	On Importations	Total
1921 ...	$27,909,902	$10,218,161	$38,128,063
1922 ...	44,820,162	16,698,589	61,518,751
1923 ...	62,685,720	28,576,735	91,262,455
1924 ...	71,834,937	29,115,141	100,950,078
1925 ...	51,253,498	15,453,872	66,707,370
1926 ...	57,253,867	16,771,226	74,025,093
1927 ...	63,940,130	18,365,540	82,305,670
1928 ...	55,379,084	16,721,160	72,100,244
1929 ...	49,151,636	14,495,036	63,646,702
1930 ...	34,936,375	9,922,325	44,859,700
1931 ...	....	....	*15,000,000

*Estimated.

From the first there was a gradual upward revision, and in the session of 1921, the tax on sales and deliveries by manufacturers, wholesalers and jobbers, was raised from 1 to 1½ per cent and in the case of sales by manufacturers directly to consumers and retailers, from 2 to 3 per cent. Where goods were imported the rates under similar circumstances were raised from 2 per cent to 2½ and 4 per cent respectively. In 1922 the normal rate of sales tax was increased from 4 to 6 per cent.

Peak Reached in 1923

In the 1923 session, the rate of the tax was adjusted to a uniform 6 per cent while manuscript, raw furs, wool not further prepared than washed, and drain tiles for agricultural purposes were added to the list of exempted articles. This was the peak year for the sales tax and under the 6 per cent levy, nearly $101,000,000 was collected by the government, 70 per cent of which was from sales of domestic goods. In the following year the rate was dropped to 5 per cent, where it remained for three years, the only changes of importance in those years being additional exemptions.

Then came the gradual reduction to the present level, at the rate of 1 per cent per annum under the combined influences of prosperity and the late Hon. J. A. Robb, with the result that since May, 1930, the tax has been only 1 per cent and in addition a great number of exemptions have reduced the revenue to only a fraction of what was formerly collected.

Exceptions Listed

The "sale" price of an article according to the present method of computing the tax is defined as "the price before any amount payable in respect of the sales tax is added; including excise duty on goods sold in bond." On domestic sales the tax is payable by the manufacturer or producer at the time of the sale, with the following exceptions:

1. Except when the sale is made from one licensed manufacturer or producer to another, if the goods are to be used, wrought into, or attached to articles to be manufactured for sale and which are articles subject to the consumption or sales tax.

2. Except when a sale is made from a licensed manufacturer or producer to a licensed manufacturer or jobber whose sales are to be accounted for under the provisions of the sales tax act.

3. Except when the sale is made by a manufacturer or producer who is not licensed, on goods manufactured or produced by him, such as those who produce their products for exclusively retail sale.

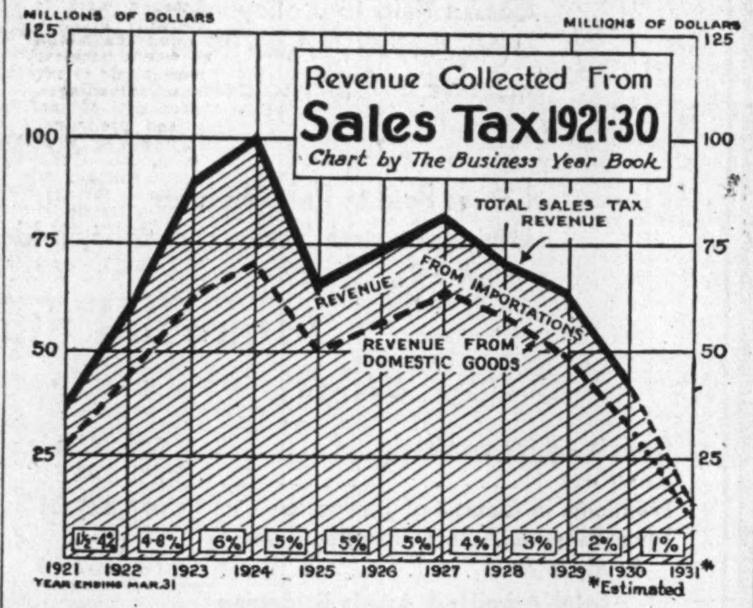
4. Except when the sale is made on goods exported.

All manufacturers and producers are required to take out an annual license with the government, with the exception of any class of small manufacturers or producers who sell their products exclusively by retail, and who are therefore immune both from the license and the tax.

In the case of imported goods, the tax is payable by the importer or transferee who takes the goods out of bond at the customs house at the time customs entry for consumption is passed. The same exemptions apply as in the case of domestic goods.

Refunds Allowed

Refunds and deductions are allowed in a great number of cases, the most obvious one being that a refund may be granted on imported goods on which the customs duties have been refunded on exportation and on domestic goods exported. A deduction or refund, not to exceed the amount of the tax, is also granted when goods imported by a licensed manufacturer or producer are further manufactured and liable to the tax. A further exemption is allowed on all articles and materials (not including permanent equipment) which enters into the cost of manufacture of production of goods manufactured or produced by a licensed manufacturer or producer.

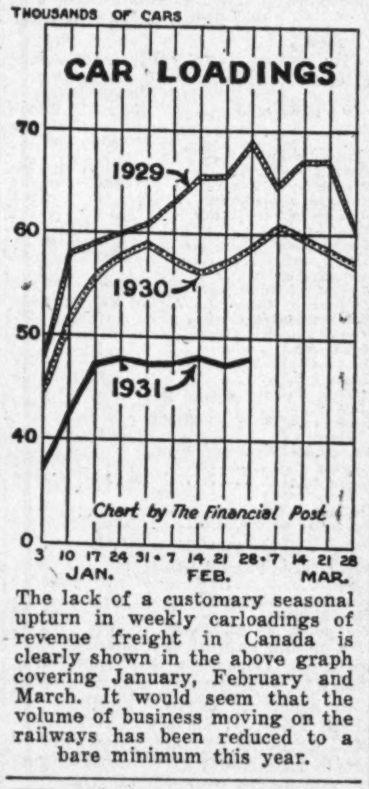


Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1, to date 1931	1930
C. P. R. Gross earn. (Feb. 28, '31)	$ 2,655,000	$ 3,058,000	$ 21,969,000	$ 25,378,000
C. N. R. Gross earn. (Feb. 28, '31)	$ 3,590,316	$ 4,426,348	$ 27,170,938	$ 34,457,546
Car Loadings (Feb. 28, '31)	47,719	59,974	412,355	501,975
Common Stock Index (Mar. 5)	113.3	165.3	......	......
Production—	Monthly			
Pig Iron, tons (January)	35,592	87,079	......	......
Steel, tons (January)	57,598	115,200	......	......
Newsprint, tons (January)	184,339	206,305	......	......
Automobiles (January)	6,496	10,388	......	......
Boots and Shoes, pr. (Jan.)	984,924	1,233,321	......	......
Flour, bbls. (January)	1,086,272	1,168,004	......	......
Mineral Production—				
Gold, oz. (November)	197,186	150,418	1,877,515	1,758,657
Silver, oz. (November)	2,361,778	1,519,883	24,283,060	20,988,082
Nickel, tons (November)	3,545	7,545	49,187	49,720
Copper, tons (November)	10,868	12,060	140,603	111,350
Lead, tons (November)	11,707	12,072	150,236	147,103
Zinc, tons (November)	11,916	7,225	122,128	89,282
Coal, tons (November)	1,315,420	1,534,190	13,496,982	16,011,519
Natural gas, M. cu. ft. (Nov.)	2,841,803	2,722,461	25,483,805	24,638,430
Petroleum, bbls. (November)	160,726	114,337	1,370,827	1,019,328
Automobile Financing—				
Used Cars (October)	$ 2,475,741	$ 2,971,643	$ 29,666,142	$ 35,723,222
New Cars (October)	$ 1,266,065	$ 3,869,531	$ 27,054,381	$ 44,267,656
Construction—	1931	1930	1931	1930
Building Permits (January)	$ 7,510,745	$ 7,217,397	......	......
Contracts (February))	$ 25,930,100	$ 28,464,400	$ 46,229,200	$ 65,994,300
Labor—				
Employmyent Index (February)	100.7	111.6	......	......
Trade—				
Imports (January)	$ 50,413,895	$ 84,662,377	......	......
Exports (January)	$ 44,682,883	$ 73,507,327	......	......
Imports of Key Products—				
Rubber, lbs. (January)	3,828,530	6,364,995	......	......
Cotton, lbs. (Dec., '30)	12,343,000	13,029,000	100,483,000	196,838,967
Sugar, lbs. (Dec., '30)	42,954,700	45,025,900	812,654,100	837,362,900
Petroleum, crude, gal. (Jan.)	58,974,995	77,727,438	......	......
Coal, tons (January)	792,826	1,767,572	......	......
Exports of Key Products—				
Newsprint, cwt. (Oct., '30)	3,806,395	4,024,998	34,631,795	45,933,076
Automobiles, No. (January)	3,095	2,997	......	......
Wheat, bush. (January)	9,608,852	4,994,054	......	......
Wheat, flour, bbls. (January)	392,256	502,888	......	......
Electric Power—Output—				
M. Kilowatt hours (December)	1,541,918	1,535,332	17,720,583	17,626,228
Population—				
Emigration (Nov., 30)	1,476	6,089	40,365	65,832
Immigration (Dec., '30)	2,909	4,943	104,806	164,992
Finance—				
Failures, No. (Dec., '30)	239	224	2,402	2,167
Failures, Liabilities (Dec., 30)	$ 4,202,599	$ 3,581,338	$ 48,164,065	$ 38,747,638
Bank Debits (January)	$2,668,000,000	$3,211,421,706	......	......
Bond sales (January)	$ 120,333,638	$ 44,146,499	......	......
Insurance sales (January)	$ 41,188,000	$ 46,788,000	......	......
Wholesale Prices (1913=100)—				
General Index (January)	76.7	95.4	......	......
Iron and its products	88.7	93.0	......	......
Cottons, raw	58.8	98.5	......	......
Grains	37.9	90.5	......	......
Live stock	91.2	124.0	......	......

Carloadings Flatten Out



The lack of a customary seasonal upturn in weekly carloadings of revenue freight in Canada is clearly shown in the above graph covering January, February and March. It would seem that the volume of business moving on the railways has been reduced to a bare minimum this year.

Business Briefs

Canada's Sea Fish Catch landed in a green state, had a value of $23,629,780 in 1930 and $26,172,344 in 1929.

Concentrated milk products manufactured in Canada during January, 1931, amounted to 4,558,177 lbs., compared with 5,147,488 lbs. the preceding month and 6,095,156 lbs. in January, 1930.

Wheat Stocks in store in Canada on February 27, 1931, are reported at 190,558,154 bus. as compared with 210,320,842 bus. in the corresponding week of 1930. In the previous week, ended February 20, 1931, 192,217,508 bus. were reported in store.

Leather footwear production in Canada during January is reported at 984,924 pairs as against 1,233,321 pairs in January, 1930, and 1,064,192 pairs in December, 1930. Imports of 28,849 pairs compare with 45,252 pairs in January, 1930, and exports consisted of 670 pairs against 2,216 pairs in January, 1930.

Vancouver Building permits issued in Feb. totalled $1,622,335 compared with $1,081,544 in February, 1930. A permit for a $1,000,000 hotel accounted for the increase. The total of permits issued in January and February, 1931, is $3,419,885 or 80 per cent greater than in the corresponding period of 1930.

Car Loadings advanced slightly during the week ended February 28, as compared with the previous week but at 47,719 cars was 20 per cent below the figure for the corresponding week in 1930. Grain shipments alone show improvement over 1930 figures while pulpwood, lumber, coal, ore, miscellaneous shipments and merchandise in less than car lots show substantial decreases.

Appointed Industrial Commissioner

L. J. Salter has been appointed Industrial Commissioner of Stratford. The new commissioner had previously held an executive position with a large manufacturing concern in that city.

SURVEY REVEALS INDUSTRIAL SET-UP OF PETERBOROUGH

Nat. Development Bureau Analyzes Resources of County

The important position of Peterborough as a manufacturing centre of Ontario, is shown in a special report on Peterborough County issued by the National Development Bureau at Ottawa.

The report shows and analyzes in detail the resources and industries of the county and particularly of Peterborough city. It shows that in 1928, capital invested amounted to almost $25,000,000 and that 5,350 industrial employees received wages of $5,700,000 and produced goods having a value of $36,124,000 in that year. In fact, while Peterborough was surpassed in total population by ten other cities in Ontario, the annual value of its output of manufactured goods — $1,659,000, per thousand of population—was exceeded only by one of these ten larger cities.

Placing the city's activities into industrial groups, it was found that there are in the county 152 firms employing 5,865 people divided as follows:

Industrial Groups

	No. of Firms	No. of Employees
Brick, Stone, Cement and Products Portland cement, cement blocks and tile, crushed stone, dressed stone.	10	300
Paper and Printing Waxed, and gummed paper, gummed cloth, paper containers, paper boxes, newspapers, printing, binding.	11	250
Milling and Baking Flour, cereal products, mill feeds, baked goods.	19	450
Dairy and Packing House Products Ice cream, condensed milk, butter, cheese, pork packing, canning.	32	360
Woodworking Sawmills, planing mills, boatbuilding, carriage making, cooperage plants.	40	450
Machinery and other Metal Products Electric motors, etc., dairy machinery, outboard motors, mining, pulpmill, hydraulic machines, locks, clocks, watches, stoves, sawmill machinery, agricultural machinery, pumps, tools.	13	2,925
Textile and Clothing Woven and knitted goods, ladies' wear, tents and awnings, fur garments.	15	1,000
Miscellaneous Harness, brake lining, crayons, beverages, mattresses and springs, brooms, artificial ice, proprietary medicines, fishing tackle.	12	120
County Total, 1929	152	6,855

In 1929 the value of agricultural property in the county included farm land valued at $15,322,000; buildings, $7,884,000; instruments, $2,471,000; and livestock, $4,449,000; making a total of $30,125,629 invested in the agricultural industry. The area of assessed land was 584,190 acres. These figures, the report says are normal and represent a slight growth on those of five years previous, with no pronounced variations in the meantime.

Production Ranking

A total of 165,582 acres were utilized for field crops in 1929 and these crops had a value of $3,918,000 which represents a production of $23.66 per acre. In value of production per acre, Peterborough county ranks nineteenth among the 54 counties and districts in Ontario.

The report shows that dairying forms the largest single item of income of the farmers of the county, it being shown that in 1928, 24 dairy establishments had 2,349 patrons who delivered 21,415,000 pounds of milk and cream, containing 919,500 pounds of butter fat to these factories. The 1928 figures show a remarkable increase in a four year period.

Brass and Copper Products Output Gained 27 p.c. in '30

Brass and copper products produced in Canada during 1929 are valued at $36,115,581, an increase of 27 per cent on the 1928 production value, according to a report on the industry issued by Dominion Bureau of Statistics. Of the 102 firms in this industry, 65 were in Ontario, 20 in Quebec, eight in British Columbia, five in Manitoba, two in Nova Scotia and one each in New Brunswick and Alberta.

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American Railroads
Atchison Topeka and Santa Fe Railway Co.
New York Central Railway Company
Southern Pacific Railway Company
Union Pacific Railway Company
Pennsylvania Railroad Company

Oils
Royal Dutch Company
Standard Oil Co. of California
Standard Oil Co. of New Jersey
Standard Oil Co. of Indiana
Texas Corporation

Industrials
American Radiator and Standard Sanitary Corp.
American Tobacco Co. Class "B"
du Pont de Namours and Company
Eastman Kodak Co. of New Jersey
International Harvester Co.
Otis Elevator Co.
Union Carbide and Carbon Corp.
United States Steel Corporation
Westinghouse Electric and Manufacturing Co.
Woolworth (F .W.) & Co.
Electric Bond & Share Co.

Utilities
American Telephone and Telegraph Co.
Consolidated Gas of New York
General Electric Co.

2

DIVIDEND NOTICES

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1931,

to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of One and One-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 1st day of April, 1931, to Shareholders on record March 14th, 1931.

By resolution of the Directors.

Dated at Ottawa this 6th day of March, A.D. 1931.

S. R. OUELLETTE,
Secretary-Treasurer.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1931, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of April, 1931, to shareholders of record the 20th March, 1931.

By Order of the Board.
C. A. BOGERT,
General Manager.
26th February, 1931.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of

TWELVE PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

WEDNESDAY, THE FIRST DAY OF APRIL next, to Shareholders of record at the close of business on the Fourteenth day of March, 1931.

By order of the Board,
WALTER F. WATKINS,
Secretary.
February 18th, 1931.

Calgary Power Company Limited

COMMON DIVIDEND NOTICE

Notice is hereby given that a Dividend of One and One-half per cent. (1½%) has been declared on the Common Stock of the Company, for the Quarter ending March 31st, payable April 1st, to Shareholders of record at the close of business on March 16th, 1931.

By Order of the Board,
L. G. PROCTOR,
Secretary.
Montreal, March 9th, 1931.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Dividend No. 84

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 31st day of March, 1931, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

Common Dividend No. 105

Notice is also hereby given that a Dividend of One Dollar per share for the quarter ending the 31st day of March, 1931, being at the rate of 8% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above Dividends are payable on and after the first day of April, 1931, to shareholders of record at the close of business on the 14th day of March, 1931.

By Order of the Board.
W. H. NESBITT,
Secretary.
Toronto 2, March 6, 1931.

SUPERTEST

SUPERTEST PETROLEUM CORPORATION, LIMITED

Notice of Dividends

"A" PREFERRED

A quarterly dividend at the rate of 7% per annum, on the Class "A" Preferred Stock of this Corporation, for the quarter ending March 31st, 1931, has been declared payable April 1st, 1931, to Shareholders on record at the close of business on March 13th, 1931.

"B" PREFERRED

A quarterly dividend at the rate of 6% per annum, on the Class "B" Preferred stock of this Corporation, for the quarter ending March 31st, 1931, has been declared payable April 1st, 1931, to Shareholders on record at the close of business on March 13th, 1931.

COMMON AND ORDINARY SHARES

The Board of Directors has declared a quarterly dividend of 25c per share on the Common and Ordinary stock of this Corporation, for the quarter ending March 31st, 1931, payable April 1st, 1931, to shareholders on record at the close of business on March 13th, 1931.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.
London, Ontario, March 3rd, 1931.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the forty-second quarterly dividend of forty cents per share on the No Par Value Ordinary Stock of the Company for the quarter ending February 28, 1931, has been declared payable to shareholders of record the 14th day of March, 1931, and that cheques will be mailed March 31st, 1931.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.
Montreal Que.,
March 9, 1931.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the seventy-ninth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending February 28th, 1931, on the Preferred Stock of the Company has been declared payable to shareholders of record the 14th day of March, 1931, and that cheques will be mailed March 31st, 1931.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.
Montreal, Que.,
March 9, 1931.

DIVIDEND NOTICES

SERVICE STATIONS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 65c per share has been declared on the outstanding Class "A" and Class "B" shares of the Company, payable on the 1st of April, 1931, to shareholders of record on the registers at the close of business on the 16th March, 1931.

By Order of the Board,
F. J. MAYO,
Secretary.
Toronto, Canada, March 9th, 1931.

POWER CORPORATION OF CANADA
LIMITED

Preferred Dividend No. 33

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending March 31st, 1931, payable April 15th, 1931, to shareholders of record at the close of business, March 31st, 1931.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, February 27th, 1931.

ABITIBI POWER & PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of one and three-quarters per cent has been declared on the Seven Per Cent Cumulative Preferred Stock of Abitibi Power & Paper Company, Limited, payable the 1st day of April, 1931, to shareholders of record at the close of business the 20th day of March, 1931.

By Order of the Board,
T. BROADHURST,
Secretary.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited has been declared for the quarter ending March 31st, 1931, payable April 15th, 1931, to shareholders of record March 20th, 1931.

By order of the Board,
W. P. RILEY,
President.
Winnipeg, March 4th, 1931.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Northern Ontario Power Company, Limited

DIVIDEND No. 10

A DIVIDEND of 1½% (being at the rate of 6% per annum) on the 6% Cumulative Convertible Preferred Stock of NORTHERN ONTARIO POWER COMPANY, LIMITED, has been declared for the quarter ending March 31st, 1931, payable April 25th, 1931, to shareholders of record at the close of business March 31st, 1931.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, Feb. 24th, 1931.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 45

A DIVIDEND of one and one-half per cent (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending March 31st, 1931, payable April 15th, 1931, to shareholders of record at the close of business, March 20th, 1931.

By order of the Board,
L. C. HASKELL,
Secretary.
Montreal, February 27th, 1931.

DIVIDEND NOTICE

The British American Oil Company Limited

NOTICE is hereby given that a dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the first quarter ending March 31st, 1931. The above dividend is payable April 1st, 1931, to Shareholders of record at the close of business on the 14th day of March, 1931. Transfer Books will be closed from the 16th to the 31st of March, both days inclusive.

Share Warrant Holders will present Coupon Serial No. 4 to The Royal Bank of Canada, 68 William Street, New York City, or to The Royal Bank of Canada, Toronto, Ontario, on or after April 1st, 1931.

By order of the Board.
P. W. BINNS,
Secretary.
DATED at Toronto, March 4th, 1931.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend (No. 10) of 1¾% upon the outstanding preference shares of the Company be and the same is hereby declared, the said dividend to be payable on or after the 1st day of April, A.D. 1931, to the shareholders of record at the close of business on the 14th day of March, A.D. 1931.

Notice is also given that a quarterly dividend (No. 10) of twenty-five (25c) cents on the no par value common shares of the Company issued and outstanding be declared on favour of shareholders of record at the close of business on the 14th day of March, A.D. 1931, payable on and after the 31st day of March, A.D. 1931.

By order of the Board.
J. G. WALFORD,
Secretary-Treasurer.
Calgary, Alberta, February 24, 1931.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 139

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1931, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on or after Friday, the first day of April, 1931, to shareholders of record at the close of business on March 17, 1931. The transfer books of the Corporation will be closed from the close of business March 17th to the close of business March 31st.

By order of the Board of Directors.
W. G. WATSON,
General Manager
Toronto, March 3rd, 1931.

AIRWAYS COMPANY REVEALS POSITION IN FIRST REPORT

Wide Operating Scope Disclosed in Annual Statement

From Our Own Correspondent

MONTREAL.—Net operating revenue of Canadian Airways, Ltd., to December 31, 1930, including thirteen months for the Western lines and twelve months for the Eastern lines, was $1,817,543. After all charges, including depreciation of $418,332, the net loss for the period was $68,704.

Many interesting facts are disclosed in the first annual report of the big aviation organization formed late in 1930 as a merger of Aviation Corp. of Canada and Western Canada Airways. While comparative figures are not available, a realization of the wide operating scope of the company is obtained by an analysis of details published in the first annual statement. A combined efficiency of 87.9 per cent was maintained on both sections, Western lines achieved a percentage of 92.7 and Eastern lines a percentage of 82.4.

It was explained that the loss for the period under review was not unexpected, in view of the sharp decrease in mining operations during the last half of the year and the depressed condition of business in general, with consequent loss of freight, express and passenger revenue.

Further, the new organization was not functioning until the last month of 1930, and none of the economies which were expected from the merger and co-ordination were actually effected until the year had ended.

Large Mileage Flown

Combined mileage flown by Eastern and Western lines in the period under review was 1,968,124. The company carried 333,913 pounds of mail, 15,278 pounds of freight and express on air-mail lines, and 486,161 pounds of freight and express on other lines, bringing the total to 835,352 pounds. The number of passengers transported was 3,645 on mail lines and 5,255 on other lines, making a total of 8,800.

Following is an analysis of operations for the year in detail:

	Eastern Lines Twelve months	Western Lines Thirteen months
Mileage Flown:		
Productive—Mail	558,264	708,544
Productive—Other	113,866	405,934
Non-productive—Mail	76,184	39,203
Non-productive—Other	5,885	60,244
Total—Mail	634,448	747,747
Total—Other	119,751	466,178
Grand total	754,199	1,213,925
Hours Flown:		
Productive—Mail	5,692	7,321
Productive—Other	1,288	4,677
Non-productive—Mail	941	457
Non-productive—Other	67	682
Total—Mail	5,713	7,778
Total—Other	2,175	5,359
Grand total	7,888	13,137
Mail, Freight and Express (lbs):		
Mail	126,430	207,483
Freight and Express—Mail Lines	14,971	807
Freight and Express—Other Lines	82,151	404,010
Grand total	223,552	611,800
Passengers:		
On Mail Lines	299	3,246
On Other Lines	1,447	3,808
Grand total	1,746	7,054
Mail Efficiency:		
Scheduled or Possible Mileage	677,034	764,578
Productive Mileage Flown	558,264	708,544
Lost Mileage	118,770	66,034
Percentage of Efficiency	82.4%	92.7%

Working capital of Canadian Airways at December 31, 1930, was $881,112, representing a ratio of current assets to current liabilities of about 9½ to 1. Cash stood at $426,790. Accounts receivable less reserve totalled $368,953; inventories of gas, oil and stores were $188,543 and investments in and advances to affiliated companies totalled $176,385, bringing total current assets to $984,286 as compared with current liabilities of $103,173.

Investment in and advances to affiliated company represents Canadian Airways' holdings of 114,389 shares of Canadian Transcontinental Airways, Ltd., which are carried on the books at $1.42 a share.

Large Depreciation Charged

Aircraft engines and other equipment are carried at $903,383 a figure which includes a write-off for depreciation of $729,227. Property is carried at $245,131, less depreciation reserve.

Goodwill is valued at $925,668. It is pointed out that this consists of accounts that were among the assets of constituent companies entering the merger less profits realized in 1930. Organization expenses are carried at $49,191 and deferred charges at $27,622.

Railways Own Stock

Liabilities include accounts payable of $103,173. A mortgage of $100,000 applies against the company's Toronto airport and is being retired at the rate of $15,000 a year. Capital stock, of which Canadian Pacific and Canadian National Railways are part owners, comprises 127,088 shares of no par value of an authorized issue of 200,000 shares. These are carried out at $3,177,200 or $25 a share. Total assets amount to $3,311,668.

There were in operation at the end of 1930, 51 single-motored aeroplanes and 1 tri-motored aeroplane; also 87 engines. This group also included floats, skis and all other flying and ground equipment. Depreciation and obsolescence have been provided for to date at the rate of about 45 per cent of the combined total cost of the group equipment items.

It was pointed out that the experimental state which obtains in the manufacture of planes, engines and other equipment necessitates adequate provision being made for depreciation and obsolescence. Equipment was continuously being rendered obsolete by the introduction of new and improved designs and equipment valuations had to be maintained on an ultra-conservative basis to enable the company to take advantage of new equipment, beneficial to the company, without being forced to take heavy losses on old equipment write-offs. In 1930 Canadian Airways wrote off $418,332 on this account.

DIVIDEND NOTICES

Porto Rico Power Company Limited

PREFERRED DIVIDEND NOTICE

Notice is hereby given that a Dividend of One and Three-quarters per cent (1¾%) has been declared on the Seven Per Cent. (7%) Cumulative Preferred Stock of the Company, for the Quarter ending March 31st, payable April 1st, to Shareholders of record at the close of business on March 16th, 1931.

By Order of the Board,
FRED C. CLARKE,
Secretary.
Montreal, March 9th, 1931.

International Power Company, Limited

PREFERRED DIVIDEND NOTICE

Notice is hereby given that a Dividend of One and Three-quarters per cent. (1¾%) has been declared on the Seven Per cent. (7%) Cumulative Redeemable Preferred Stock of the Company, for the Quarter ending March 31st, payable April 1st, to Shareholders of record at the close of business on March 16th, 1931.

By Order of the Board,
FRED C. CLARKE,
Secretary.
Montreal, March 9th, 1931.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of March, 1931.

Notice is also hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of March, 1931.

The above Dividends are payable on Wednesday, the 1st day of April, 1931, to Shareholders of record at the close of business Monday, the 16th day of March, 1931.

By Order of the Board,
MERVYN OFFER,
Secretary.
Montreal, 19th February, 1931.

NOVA SCOTIA LIGHT & POWER COMPANY, LIMITED

Ordinary Dividend No. 6

Notice is hereby given that a dividend of One dollar ($1.00) per share, for the quarter ending March 31st, 1931, has been declared upon the Ordinary Stock of the Company, payable April 1st, 1931, to shareholders of record at the close of business March 14th, 1931.

By Order of the Board,
C. J. HAYES,
Secretary.
Halifax, N.S., March 3rd, 1931.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1931.

On the Preferred Stock, one and one half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1931.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1931.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, March 2, 1931.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 13

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per share, being at the rate of 6 per cent. per annum, has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the quarter ending March 31st, 1931, payable April 15th, 1931, to shareholders of record at the close of business on March 31st, 1931.

By Order of the Board.
FRED HUNT,
Secretary.
February 26th, 1931.

Hydro-Electric Securities Corporation

COMMON STOCK DIVIDEND

Notice is hereby given that a dividend of Thirty-five cents (35c) per share on the outstanding common shares of this Corporation has been declared, payable March 16th, 1931, to shareholders of record at the close of business March 12th, 1931.

By order of the Board,
A. H. LANG,
Secretary.
Montreal, March 5th, 1931.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share has been declared on the Common Stock of DOMINION TEXTILE COMPANY Limited for the quarter ending March 31st, 1931, payable April 1st, 1931, to shareholders of record March 14th, 1931.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, Feb. 25th, 1931.

DIVIDEND NOTICES

MONTREAL TRAMWAYS COMPANY

Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Montreal Tramways Company will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Tuesday, the 31st day of March, 1931, for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

NOTICE is further hereby given that immediately after the conclusion of the Annual General Meeting, a Special General Meeting of the Shareholders will be held at the same place for the purpose of considering and, if deemed advisable, of ratifying changes in the by-laws of the Company enacted by the Directors:—

1. An amendment to Section 11 of Article I. dealing with the quorum at General Meetings of the Shareholders.
2. An amendment to Section 1 of Article III., fixing the number of Directors of the Company at ten.
3. An amendment to Section 18 of Article III., dealing with the number of members of Executive Committees of the Directors.
4. The repeal of Section 19 of Article III. which authorizes an Executive Committee to act by the written consent of a quorum although not formally convened.
5. The repeal of Sections 7 to 14 inclusive of Article IV. providing for the issue of share warrants by the Company and determining the forms of such warrants.

The Transfer Books will be closed from the 11th day of March to the 30th day of March, both days inclusive.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Monday, February 9th, 1931.

INTERNATIONAL PETE REDUCES PRODUCTION

Peru Averaged 16,641 Bbls. in February — Colombia Gains

Production of crude by International Petroleum Co. in Peru during February will show substantial reduction from previous months, according to advance figures presented with the January statement of production. Due to partial shut-down of operations the daily average production in Peru was 16,641 bbls. as compared with an average of 25,111 bbls. in January and 28,573 bbls. in February, 1930. The Colombian production averaged 55,908 bbls., an increase on January average output of 53,474 bbls.

The total crude production in Peru in January was 778,440 bbls., a small increase on the 762,860 bbls. reported for December. In Colombia, 1,657,701 bbls. was produced as compared with 1,696,367 bbls. in December. In the first month of the year seven producing wells with an average initial production of 506 bbls. each were completed in Peru and six wells with an average production of 521 bbls. were completed in Colombia.

Production figures for January have been issued by the company but no statement has been made of shipments. Figures are as follows:

	Peru	Colombia
Prod. wells completed	7	6
Av. initial prod., bbls.	506	521
Total crude prod., bbls.	778,440	1,657,701
Aver. daily Feb., prod., bbls.	*16,641	55,908

*Decreased production due to partial shut-down of operations.

NOTICES

WANTED

by Old, Established House, experienced Bond Trader, with ability and initiative to develop Bond Trading Department. State references, salary, and experience. All replies treated in strictest confidence.

Box 262, The Financial Post,
Toronto.

Lumbermen's Mutual Reports Business Improved in 1930

Lumbermen's Mutual Casualty Co., Chicago, reports earnings for 1930 at $2,657,014 or 15.2 per cent greater than in 1929 and cash assets of $15,001,456, a gain of 28.9 per cent on the previous year. Premium income of the Lumbermen's and its associate company American Motorists Insurance Co. for 1930 was over $16,700,000.

The net premium income of the company in Canada showed an increase at $335,940 of which $246,412 was from automobile insurance, $82,875 from accident insurance and $6,654 from plate glass insurance. The automobile insurance written increased 60 per cent over the 1929 business. The loss ratio on automobile risks in Ontario remained the same in 1930 as in 1929 at 33 per cent. The company has $210,000 on deposit in Canada.

NOTICES

PROSPECTOR

Widely experienced, best references, seeks financing to organize prospecting into very favorable gold country. Box 263, The Financial Post, Toronto.

Sun Life Assurance Company of Canada

Head Office: MONTREAL

Stock Transfer Department

Notice is hereby given that the Stock Transfer Books of the Company will be closed from the 17th to the 31st of March, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of April, 1931, to shareholders of record at the close of business on March 16th, 1931.

By Order of the Board,
H. W. K. HALE,
Secretary.

NOTICES

TENDERS FOR DEBENTURES

Tenders are now called for $263,000.00 of five per cent (5%) bonds of Cap de la Madeleine, until March 23rd, 1931.

For particulars, write to Mr. Romeo Morrissette, City Engineer, Cap de la Madeleine, Que.

TENDERS FOR DEBENTURES

TOWN OF ESSEX

Sealed Tenders will be received by the undersigned up till 8 p.m. on Tuesday, March 24th, 1931, for the purchase of $20,000 worth of 20-year debentures of equal annual payments of principal and interest, with coupons attached, bearing interest at the rate of 5 per centum per annum.

Essex, Ont., March 3rd, 1931.
R. R. BRETT, Town Treasurer.

TENDERS FOR DEBENTURES

THE TOWN OF ALLISTON, ONTARIO

invites tenders for the purchase of $123,000.00, 5% Debentures, payable in 15 equal annual instalments, at the Bank of Montreal, Alliston. Debentures to be guaranteed by the County of Simcoe.

Sealed Tenders addressed to the Town Clerk will be received up to Monday, March 16th, 1931, at 8 P.M.

MILDRED LOWERY, Clerk.

Tenders For County of Carleton Debentures, 1931

SEALED TENDERS addressed to the undersigned will be received up to 12 o'clock noon, Wednesday, March 18th, 1931, for the purchase of the following blocks of debentures, bearing 5 per cent. interest with coupons attached, dated February 3rd, 1931.

$12,280.00 payable in 5 equal annual instalments of principal and interest.
$40,000.00 payable in 10 equal annual instalments of principal and interest.
$83,000.00 payable in 20 equal annual instalments of principal and interest.
All tenders to be OTTAWA FUNDS.
The highest or any tender not necessarily accepted.

HENRY R. WASHINGTON,
County Clerk and Treasurer,
Court House, Ottawa.

Town of Edson, Alberta

Waterworks Debentures For Sale

The Corporation of the Town of Edson, Alberta, invites tenders for $65,000.00 of Waterworks Debentures, interest 6%, denominations not less than $500.00, repayable in 20 equal consecutive annual instalments of principal and accrued interest, commencing April 30th, 1932.

Tenders to be in the hands of the undersigned not later than March 31st, 1931.

The highest or any tender not necessarily accepted.

E. H. TUCKER, Secretary-Treasurer,
Edson, Alberta.

Northwestern Mutual Fire Association

Operating Results for Year 1930

Premiums Written	$8,327,557.92
Return Premiums	1,613,704.94
Net	6,713,852.99
Losses Paid to Policyholders	$2,951,507.89
DIVIDENDS PAID TO POLICYHOLDERS	1,542,114.89
Increase in Policyholders' Surplus	291,369.87

Since Organization

Losses Paid to Policyholders	$24,707,878.89
Dividends and Savings to Policyholders	15,882,183.07

Financial Statement 1930

Assets

Cash in Office and Banks	$ 468,941.66
Securities	3,757,941.58
Premiums in Course of Collection	674,223.24
Miscellaneous Assets, includes Real Estate owned	109,567.48
Total Admitted Assets Belonging to policyholders	$5,010,673.96

Liabilities

Reserve for Losses and Adjustment Expense	$ 449,088.67
Reserve for Unearned Premiums	3,343,415.16
Reserve to Cover All Other Liabilities	209,412.53
Reserve for Contingencies	75,000.00
NET CASH SURPLUS	933,757.60
Total	$5,010,673.96

Canadian Operations

Gross Premiums Written -	Fire		$1,239,786.36
	Auto		106,153.61
	Tornado		195.00
			$1,346,134.97
Return Premiums -	Fire	$200,890.69	
	Auto	17,659.32	
	Tornado	88.00	218,638.01
Gross Net Written			$1,127,496.96
Gross Losses .	Fire	547,227.53	
	Auto	46,246.64	
		593,474.17	

Dividends Paid to Canadian Policyholders - - $324,633.20

Northwestern Mutual Fire Association

(RETAIL MERCHANTS INSURANCE DEPARTMENT)

CANADIAN HEAD OFFICE—HAMILTON, ONTARIO

JAMES J. ALLEN, MANAGER

Branch Offices: Vancouver, Edmonton, Saskatoon, Winnipeg, Toronto, Ottawa, Montreal, Saint John, Halifax, Victoria, Calgary, Quebec City

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Record of Investments
WE shall be pleased to send on request to *bona fide* investors a copy of this handy book which provides space for recording your holdings of bonds, stocks, mortgages and insurance policies. Space is provided for recording all the essential details of your holdings.
Write or phone for your copy now
McLEOD, YOUNG, WEIR & CO.
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London Winnipeg

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Canada Steamship

I hold some 6 per cent bonds of Canada Steamship Lines, and would like your advice as to whether I sell or retain these securities.

Canada Steamship Lines has experienced a set-back in the past two years, but it is expected that earnings in 1931 will be sufficient to cover bond interest requirements before depreciation. While it is difficult to forecast what the transportation season will be like this year, expectations are that the grain movement will be of more normal proportions. In that event, the company should be able to re-establish its position to some extent. These are the salient facts in the situation surrounding the company. Without a full knowledge of your investment holdings you will realize that it is not feasible for us to give you a definite opinion whether you should sell or hold on. Securities of Canada Steamship Lines have shown greater strength recently, apparently reflecting a better confidence in the company's outlook.

Hydro Bond and Share

Please be good enough to give me an opinion on the bonds of Hydro-Electric Bond & Share Corp. Do you consider these a safe medium for investment, and is the Investment Trust plan absolutely sound?

Hydro-Electric Bond & Share Corp. has issued no financial statement since its formation in 1927. Accordingly, it is not possible to give an informed opinion upon the company's bonds. In selecting a medium for the investment of funds, an important factor to be considered is the earnings record of a company and balance sheet position; neither of these is available in the case of the company you mention.

While the theory behind the investment trust plan has points in its favor, practice in the past year has shown that companies of this type can be seriously affected by poor conditions in the stock market.

United Fuel Investment

I should like as much information as possible on the 6 per cent preferred stock of United Fuel Investment.

United Fuel Investment 6 per cent preferred stock has been falling in market value recently, probably as a reflection of declining winter revenues on account of the exceptionally mild winter experienced in Eastern Canada this year.

The control of the company was recently obtained by Union Natural Gas and the subsidiaries of United Fuel Investment have valuable franchises in and around Hamilton. Whatever happens in the next 18 months, some of those close to the company believe that prospects for a longer period are excellent. This is not to suggest that the 6 per cent dividend will be cut or deferred, but that lower current earnings lead one to think that there is such a possibility.

The working capital position of the company as of March 31, 1930, was weak, showing a deficiency of $1,468,558; bank loans were for $2,341,649. This was a tremendous increase in bank loans over the previous year when they amounted to $1,001,568. United Fuel Investment has no funded debt, but its subsidiary, Hamilton By-Product Coke Ovens, has first mortgage 7 per cent. bonds due 1943 of $1,487,200, and 6 per cent serial gold notes due 1930 and 1931 of $525,000. United Fuel & Gas Co., of Hamilton, has first mortgage sinking fund 5½ per cent bonds due 1948 outstanding of $1,852,000 and the United Suburban Gas Co. has no funded debt at all. The common stock of all three companies is entirely held by United Fuel Investment.

You will note the weakness of working capital. Working capital is not so great a necessity of these companies with steady streams of cash coming in most of the time, but it is nevertheless too low.

When one considers that preferred dividends required $540,000 in 1930 and $526,689 in 1929, the net profits of $560,125 in 1929 and $689,527 in 1930 after all expenses of holding company and subsidiaries, depreciation, bond and bank interest and reserve for income taxes, do not allow a large enough surplus to ensure dividend continuance over any period of thin earnings. Two years deferred of dividend would clear off excess current liabilities at the rate shown for the year ended March 31, 1930. In normal years the company could hope for increased earnings.

Neon Advertising

Please be good enough to give me some information on Claude Neon General Advertising. Was this company formerly known as Asch Ltd.? What is the outlook for the company, and what progress did it make last year?

Claude Neon General Advertising Co. is a consolidation of Asch Limited, E. L. Ruddy Co. and Claude Neon Co. of Canada. The two former companies were engaged in the outdoor advertising business while the latter controls the rights to neon gas in various parts of Canada. The 1930 annual report of Claude Neon General Advertising Co. is expected to be published shortly. We understand that preferred dividends have been earned and that business last year exceeded that of the previous period. The use of neon gas as a lighting medium in display advertising has grown; sponsors of the product claim that other uses for the neon light are being developed.

Alberta Pacific

I am considering the purchase of some preferred shares of Alberta Pacific Grain Co. as I rather fancy this stock. Before doing so I would like to have your opinion as I am a reader of The Financial Post.

While Alberta Pacific Grain Co. should, over a period of years, regain its former position under present management, it is questionable whether a commitment in a non-dividend paying security is advisable at the present time. There is no indication of resumption of preferred payments in the near future; whether you purchase the stock depends largely on your present holdings and your readiness to await an improvement in operations and earnings.

In considering the preferred shares from an investment angle it is well to remember that an issue of $2,500,000 of general mortgage bonds were created and pledged with the company's bankers last year. In addition to this, there are outstanding $3,119,000 of 6 per cent first mortgage bonds; interest charges on both these issues must be met before preferred dividends. The company is one of the largest in the industry it serves; its progress in the future is dependent upon an improvement in the grain situation.

Utility Investment

I hold some stock of Second Public Utility Investment Co. and am worried as to its position. Do you think I will lose my money?

As we understand it, Second Public Utility Investment Company, like many other investment trusts, suffered a set-back on account of market conditions in the past year. The company's finances were not such to enable it to weather the depression. At a meeting held recently, shareholders agreed to carry out the plan of reorganiaztion whereby stock of Second Public Utility Investment Company is exchanged for that of Consolidated Public Utility Investment Company. It is impossible to forecast what success will attend the efforts of the new company; its progress depends upon an improvement in market conditions and the ability of the management to invest profitably.

Steel of Canada

I notice that Steel Co. of Canada's stock is not behaving very well market-wise and should like your opinion as to whether I should sell this stock at once.

Market conditions at the present time are poor and in a comparative sense the shares of Steel Co. of Canada do not appear to be unduly depressed. Earnings of the company in 1930 are expected to fall below those of the previous year; the financial statement should be available at the beginning of April. Steel Co. of Canada is one of the leading industrial organizations in the country. It has built up a strong financial position and has added to and improved its properties steadily. In view of the company's sound record of progress in the past, it is reasonable to expect that further headway will be made when business conditions improve.

Canada Biscuit

Among my holdings are some bonds of Canada Biscuit Co. I would like to have your opinion on these bonds also as to what progress the company is making.

It is difficult to give an informative opinion on the bonds of Canada Biscuit Co. since the company has not published a financial statement since its inception. Our understanding is that the company has made headway in the past two years as regards its merchandising; whether earnings have been sufficient to cover bond interest requirements has not been disclosed. As you probably know, the consolidation of companies which form Canada Biscuit Co. did not meet with the success that was anticipated. After two years of operation, however, a reorganization of policy was undertaken, a plan which resulted in improved sales. Unofficially we are informed that each of the last three years has shown substantial improvement in earnings, a former large deficit being converted into a profit approximately equivalent to bond interest, but there is no published financial statement to confirm this.

Investors' Syndicate

I have purchased a $5,000 investment certificate issued by the Investors Syndicate of Minneapolis. The certificate matures in 10 years and I pay $370 per year. I am thus credited with interest at 5½ per cent per year. Please advise me if the Investors Syndicate is a safe company with which to invest. Do you think that my money, so invested, will be safe for 10 years?

Investors Syndicate of Minneapolis, from year to year, publishes financial statements which indicate growing strength. It does not publish income statements and in Canada it is not under the supervision of any government department, but we are informed by the company that it is examined carefully by the State Securities Commission of Minnesota.

Judging entirely by the financial statement, the company should be able to meet maturities of Installment Investment certificates when they fall due. This will depend naturally on continued selection of first charge mortgages in the meantime, and on the holder of a certificate continuing payment. If the holder does not continue payment through the lifetime of the certificate, we do not consider it a good contract for him. Up to the fifth year he does not receive back as much as he has put in. He is therefore obliged to continue to maturity in order to make the profits mentioned.

Standard Paving

Please give me your opinion as regards Standard Paving & Materials preferred stock from an investment point of view. I should like information as to past and present record and future prospects as well as to the efficiency of its management. Do you recommend this stock and if not what other preferred stocks would you suggest?

The initial dividend on the 7 per cent cumulative preferred stock of Standard Paving Materials Ltd. was paid on May 15, 1929, and quarterly since. The amount earned per share in the year ending March 31, 1930, was $38.37 and dividends are believed to have been well covered in the present year. The annual report, will not, however, be available until May, in all probability.

The company operates through its subsidiary companies, Standard Paving, Kilmer & Barger, National Sand & Material Co., and Consolidated Sand & Gravel Co., as street and highway paving contractors, and supplies sand and gravel for all types of building and construction work throughout Ontario, Quebec, and in New York state. It specializes in asphalt paving. It controls permanent and portable asphalt paving units in Ontario, Quebec, and New York state, and a number of sand and gravel pits in Ontario. It acquired a fleet of six material boats through the National Sand and Material Co., several of these are self-loading and discharging.

The merger was made in January, 1929, through an exchange of securities of Standard Paving and Consolidated Sand & Gravel. The other two companies were brought in later at the same time that preferred shares were offered to the public. The company's management is generally understood to be efficient and though there is keen competition in this field, the company should always have its share of whatever business is available from year to year.

It is not the policy of The Financial Post to recommend any stocks but to set forth sufficient information with regard to each, so that the enquirer can determine with his own judgment whether he cares to take whatever chances are involved in the investment or speculation. If there is any other feature about which you desire information, we would be glad to give it to you. The working capital of the company is quite strong.

Maple Leaf Milling

Would you consider it advisable for a business man to invest in the class A preferred stock of Maple Leaf Milling Co. for a hold of one or two years?

After losing upwards of $5,000,000, necessitating a reorganization of personnel, Maple Leaf Milling Co., faces a situation where it is hard to say how long it will take before its preferred stock, class "A," comes into an earning position.

The company will have to recover a great deal of lost ground first, Those who are in charge of the company's affairs appear to be optimistic that this will happen. There are distinct possibilities as well as risks in such a purchase, but no one can tell how it would do for a year or two as a hold.

Hamilton Bridge

I am interested in Hamilton Bridge Co. from the standpoint of a long term investment. By what margin did this company earn its dividend requirements during 1930? Are the future prospects good?

Hamilton Bridge Co. as of June 30, 1930, had a good working capital position—its earnings on the first preferred stock for those six months amounted to $11.01, while $2.25 were paid. It earned $1.74 a share on the common while 50 cents per share was paid. The company has shown itself to be well managed and its earnings in 1928 and 1929 were excellent.

It fabricates and erects new bridges, steel frames for buildings, steel tank, steel telegraph and telephone poles, intake pipes and towers for waterworks. Its plants in Hamilton, Vancouver and Toronto will naturally therefore be busiest in times of considerable building and when great projects are under way.

The company, by recent operations, has won the right to considerable confidence among investors and speculators, but we would not care to express an opinion as to appreciation over a period of five years. Neither all the favoring factors, nor all the adverse factors can be foreseen over such a period and those who purchase must back their opinions as to the ability of directorate and management and personnel of company to readjust themselves to new developments in industry and commerce so as to continue to show profits available for the shares.

Great West Saddlery

I should like a report and any available information on the 6½ per cent preferred stock of Great West Saddlery Co. What are the prospects for this stock in the near or distant future?

You are doubtless aware that in 1929 and 1930, years ended June 30, Great West Saddlery Co. had considerable deficits on operations. In 1929 the deficit was after paying preferred dividend, and in 1930 there was a deficit before this payment. On June 30, 1930, the company had bank loans of $269,000 secured and first mortgage bond indebtedness of $793,000. Dividend, which was passed toward the end of 1929, is not likely to be resumed until, under the present management, the company has restored its earning position.

It is claimed that the present business depression in the west has not worked so much against the company as might have been expected. It has turned many people back to the use of horses. The lower purchasing value in Western Canada, however, can be expected to have its effect and some years may be needed before one can see just how successful the reorganized management is proving. The Financial Post is reliably informed that this year the preferred stock can expect no results of benefit to it. The efforts of the company are rather confined to keeping the cash position good and to paying bond interest.

When Women Invest

A WEEKLY FEATURE

Canada Bread

I have a few shares of Canada Bread common stock for which I paid $18 per share. Would you advise buying more at present prices to bring my investment up to a 6 per cent basis? should the present rate of dividend be maintained?

Are prospects fair for conditions gradually to improve in the baking industry? I have also a few shares of Consolidated Bakeries bought at $11.

In coming to a decision as to whether you will buy more shares of Canada Bread or not, you will have to take into consideration a conglomeration of favorable and unfavorable factors. On the one hand you have the exceptionally fine record of Canada Bread among bread companies so far as expansion, earnings and dividends over a long period are concerned. It has had its times of depression in the past, but has survived these and recovered its position again.

At present, however, it faces an adverse situation which has led the directors to reduce dividends in the desire to conserve cash. The adverse situation is that there has been severe competition in various municipalities by bread companies and that chain store companies have recently been engaged in a price-cutting campaign in which they have featured bread as a leader at very low prices.

You will remember that in recent years the flour milling companies, seeking further domestic outlets on a stable basis for their products, secured control over the chief bakery chains in Canada. These chains were considerably expanded and some other companies were started as well. It takes some little time for an over-expanded industry to adapt itself to new conditions.

Improving prices of wheat will probably help the companies to make their inventories more valuable if such improvement persists.

Consolidated Bakeries faces exactly the same situation, and it will take some time for the experienced managements of both companies to realize under present conditions the possibilities of the plants and distributing systems of the companies. One cannot tell at the moment just how far the campaign of the chain stores will change the method of bread distribution. The desirability of delivery will probably keep many willing to buy direct from the bakers, especially if thus they can get types of bread which they prefer.

Thus, in adding to your Canada Bread holdings, you would be backing the company because of its record, management and financial strength as likely to survive the present difficulties in a way that will be advantageous to investors in common. But no one can tell how long this process will be in working out or even that dividends may not be dropped further for a time if present competition were to become more severe.

Investment Terms In Every Day Use

Callable

Most preferred stocks and bonds may be "called" by the issuing company at a stated price—usually a premium.

Liabilities

The balance sheet of any company consists of two main items, viz., assets and liabilities. The latter refer to debts of the company, including current liabilities, bonds, contracts, etc., and the capital of the company itself—which is a liability, or debt, to the shareholders.

Liquid Assets

Another name for current assets.

Long

To own stocks is to be "long" of stocks. Being long of the market means holding stocks for a rise in price. (See "short").

Margin

A term frequently used by speculators in stocks, Buying stocks on margin simply means borrowing money to pay for a portion of the cost involved. The money is usually borrowed from a stock broker (who in turn borrows from his bank). Conservative brokers demanded a margin of thirty per cent on active stocks, fifty per cent on less active ones, and in the case of very speculative or low-priced stocks will not purchase for clients on margin at all.

If Mr. Brown buys 100 shares of International Nickel at $20 per share on a thirty per cent margin, he pays his broker approximately $600—borrowing from him the balance of $1,400, or seventy per cent of the cost. If the price of the stock declines to $15 per share, the security for the loan of $1,400 is only $1,500, not $2,000 as at first, and seventy per cent of the market value (or loaning value) is only $1,050, so that Mr. Brown's account is under-margined by $350. The loaning value must be maintained at or above the amount of the loan in order to keep the account properly margined.

Negotiable

Bond or stock certificates are "negotiable" when not registered, or when endorsed by the registered owner, so that they may be readily transferred from one person to another.

Net Earnings or Net Profits

The profits of a business after deduction of all operating charges, depreciation and interest on borrowed money.

Odd Lot

Less than the usual unit of transaction on the stock exchange. On the New York Stock Exchange less than 100 shares is an "odd lot"; on the Toronto and Montreal Stock Exchanges, less than 25 shares is an "odd lot." The standard unit (100 shares and 25 shares as above) is known as a "board lot."

Par

Formerly, all shares of stock possessed a "par" value usually $100. This was the amount of capital represented by each share. Sometimes, the par value was $10, $25, or $50 per share. Recently, however, most common shares have not been given a par value, and so are known as "no par value" shares. If a stock with a par value of $100 sells at $90 per share, it is said to sell at a discount of 10 points below par, while if the price is $110, it is said to sell at a premium of 10 points over par. Practically all bonds have a par of 100. This is known as the "face value" or "principal amount" of the bond.

The Broad Picture in Fifteen Minutes Reading

It is possible to secure a clear conception of Canada's assets and problems, in two vitally important fields, by obtaining the booklets advertised below. Fifteen minutes' reading for each booklet will give you a better understanding of the present situation and will illuminate much that you see in the newspapers with reference to these subjects.

Prices and the Farmer
Prices and the farmer is one of the subjects dealt with in a review of agriculture in Canada just published by The Financial Post. Other aspects analyzed are: Is Agriculture Keeping Pace?; Our Declining Farm Exports; Should We Go Back to Farm Exports?; Quality and Grading; Our Future in Wheat Growing; Future of Canadian Agriculture.
The Financial Post has undertaken to make a survey of Canadian economic problems and assets. The first survey covers agriculture under the above heads and is now available in booklet form. Price 25c per copy.

The Future of Gold and Silver
Many holders of mining securities will welcome this compact review of Canada's mining industry which has just been published by The Financial Post. In the compass of a sixteen page booklet the broad facts are brought forward which put the picture of Canadian mining in better focus. Subjects dealt with are: Our Position in Mining; The National Fuel Problem; Our Idle Iron Ore; Base Metals in Canada; Future of Gold and Silver.
This is the second in a series of reviews reckoning Canada's economic assets and problems. The first dealt with "Agriculture." "Survey Two — Mining" may be obtained for 25c a copy. Use the coupon.

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Truck and Rail Deliveries
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Fixed Trusts
Which is the most desirable fixed trust for our clients' investment has been the subject of considerable study by us for some time. As a result of our investigations we recommend:
Diversified Trustee Shares,
SERIES "C"
This investment provides the means of effectively securing broad diversification at a time when the opportunity to invest profitably in stocks is apparent, but a choice of individual issues difficult to make.
Write for Circular 13
Greenshields & Co
Investment Bankers
Members Montreal Stock Exchange
17 St. John Street, Montreal
OTTAWA TORONTO QUEBEC
117

Reliable Information on Canada's Natural Resources
Is vital to Men of Capital, Development Engineers, and others interested in the development of some branch of Canada's vast mineral, forest and waterpower wealth.
The Canadian National Railways Maintain a Department of Natural Resources Development, manned by men of expert knowledge, who are in a position, not only to make such knowledge available free of charge to those desiring it, but also to act as a medium through which the public may be brought into touch with the possibilities of development of the natural resources in the territories served by the National Railways in all parts of Canada.
A cordial invitation is extended to all those interested, to make full use of the services of this department either in establishing connections or in securing reliable information.
CANADIAN NATIONAL RAILWAYS
Department of Natural Resources Development
W. J. BLACK, *Director*, Montreal
C. Price-Green, Commissioner, Eastern District, 360 McGill St., Montreal
F. V. Seibert, Supt., Alberta, Saskatchewan and Manitoba, Union Station, Winnipeg
R. C. W. Lett, Supt., British Columbia, 1109 Vancouver Blk., Vancouver, B.C.

MORRISON BRASS CORPORATION, Limited
OWNING AND OPERATING
THE JAMES MORRISON BRASS MFG. CO., LIMITED.

BOARD OF DIRECTORS
J. L. McSweeney, Pres. D. H. McDougall, Vice-Pres.
J. H. Sherrard Harold F. Ritchie Jas. W. Pyke
Alfred Rogers Hon. F. H. Phippen, K.C. J. H. Black

To the Shareholders:—

Your Directors submit the Report of the Company, together with Consolidated Balance Sheet and Consolidated Statement of Surplus and Profits as at December 31st, 1930.

The period under review has been a difficult one in that a reorganization and systematizing of the Operating and Sales Departments was carried out under adverse general business conditions.

During the year, the transfer of the entire Manufacturing Operations from the Adelaide Street property to the King and Duncan Street property was completed. At the same time, efficient Cost Accounting and Stores Systems were inaugurated at this Plant.

At the Adelaide Street property, which is now used as the Head Office and Warehouse of the Company, comprehensive Inventory, Warehouse and Sales Record Systems were put into effect.

During the year, the Engineering and Sales Departments in Toronto were supplemented. A Branch was opened in Montreal which has shown encouraging results. Agencies were also established in Winnipeg, Vancouver and Regina.

In December, the Company entered into an arrangement with Jas. P. Marsh & Company and Sargent Company of Chicago for manufacturing their products and marketing these lines in Canada and Great Britain. Jas. P. Marsh & Company is one of the oldest and largest manufacturers in United States of gauges and instrument panels, heating systems, radiator valves and traps; while Sargent Company occupies an important place in the manufacture of locomotive steam specialties. The production of these additional lines should supplement the Company's business substantially.

During the year, additions to Fixed Assets amounted to $58,833.34.

Your Directors wish to express their appreciation of the cooperation and zeal of the Operating Officials, Sales Department and Employees generally in the reorganization and systematizing of the business. Some idea of the work involved is indicated by the fact that the Company manufactures approximately 10,000 different finished articles and 20,000 parts in addition to the great variety of articles handled as merchandise.

By order of the Board of Directors.
(Signed) J. L. McSWEENEY, President.
March 3rd, 1931.

CONSOLIDATED BALANCE SHEET
As at December 31st, 1930

ASSETS		
Active:		
Cash on hand and in Bank		$ 50,619.34
Accounts Receivable (less Reserve)		226,363.32
Stock-in-Trade and Supplies		501,331.53
Prepayments, etc.		94,766.36
		$873,080.55
Goodwill, Patents, Trade-Marks, Etc.		1.00
Fixed Assets:		
Land, Buildings, Machinery and Equipment, less Reserve for Depreciation		1,271,603.88
Total Assets		$2,144,685.43
LIABILITIES		
Current:		
Accounts and Bills Payable		$243,519.68
Capital Stock and Surplus:		
Preference Shares—		
Authorized—$3,000,000.		
Issued —30,000 shares, par value $50. per share	$1,500,000.00	
Surplus represented by 60,000 No Par Value Common shares	401,165.75	
		1,901,165.75
Total Liabilities		$2,144,685.43

J. L. McSWEENEY, President.
H. E. HALL, General Manager.

AUDITORS' CERTIFICATE
Audited and verified in accordance with our report dated February 11, 1931.
OSCAR HUDSON & CO.,
Chartered Accountants.

CONSOLIDATED STATEMENT OF SURPLUS AND PROFITS
as at December 31st, 1930

Balance at Credit December 31st, 1929	$390,747.99
Operating Profit for the year ended 31st December, 1930 less reserves for Depreciation	125,709.08
Total	$516,457.07
Deduct:	
Dividends on Preference Stock to December 1st, 1930	105,000.00
	$411,457.07
Income Tax for 1929 period	10,291.32
	$401,165.75

Bongard & Company

Members:

Toronto Stock Exchange
Montreal Stock Exchange
Winnipeg Grain Exchange

Montreal Curb Market
New York Curb (Assoc.)
Chicago Board of Trade

80 King St. W., Toronto
Elgin 5381

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KITCHENER

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SEND
CANADIAN NATIONAL EXPRESS
MONEY ORDERS

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BONDS AND PREFERRED
BOUGHT - SOLD - QUOTED
BUNNELL, HITCHON, HENDRY LTD.
Temple Building
BRANTFORD, ONT.

Abitibi Power & Paper Company, Limited

SEVENTEENTH ANNUAL REPORT
For the Fiscal Year Ending December 31, 1930

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1930

ASSETS

CURRENT ASSETS:			
Inventories of pulpwood, paper, pulp, materials and supplies at cost, and expenditures on logging operations		15,273,825.45	
Unexpired insurance, prepaid taxes, etc.		343,466.82	
Customers' accounts		3,280,462.15	
Other accounts receivable and cash deposits on timber limits		469,228.39	
Marketable bonds		892,329.75	
Cash on hand and on deposit		2,067,709.95	
		$22,327,022.51	
INVESTMENTS:			
In capital stocks of and advances to other companies	2,581,635.68		
Less reserve	500,000.00		
		2,081,635.68	
			24,408,658.19
FIXED ASSETS:			
Plant, machinery and equipment, at cost		116,728,139.50	
Lands, timber limits, undeveloped water power, etc.		52,272,485.38	
			169,000,624.88
			$193,409,283.07

LIABILITIES

CURRENT LIABILITIES:			
Bank loans		4,500,000.00	
Current accounts and bills payable		1,872,983.83	
Bond interest accrued		248,002.09	
Dividends payable		620,032.00	
			7,241,017.92
DEFERRED LIABILITIES:			
Purchase money obligation payable over sixteen years		210,645.01	
Purchase money obligation payable over two years		90,000.00	
			300,645.01
FUNDED DEBT:			
Five per cent First Mortgage Gold Bonds, due 1953: Authorized	$75,000,000.00		
Issued		50,000,000.00	
Five and one-half per cent First Mortgage Bonds, due 1947, of Provincial Paper Limited: Authorized	10,000,000.00		
Issued	5,300,000.00		
Less: Redeemed and cancelled	300,000.00		
		5,000,000.00	
			55,000,000.00
RESERVES:			
Depreciation and depletion		27,319,327.10	
General and contingent		2,557,127.79	
			29,876,454.89
PREFERRED SHARES:			
10,000 shares 7% Cumulative Preferred Stock of $100.00 each. The total authorized issue is 10,000 shares		1,000,000.00	
348,818 shares 6% Cumulative Preferred Stock of $100.00 each, including 916 shares deposited for exchange of shares of The Spanish River Pulp and Paper Mills Limited. The total authorized issue is 500,000 shares		34,881,800.00	
35,000 shares 7% Cumulative Preferred Stock of $100.00 each of Provincial Paper Limited. The total authorized issue is 35,000 shares		3,500,000.00	
			39,381,800.00
COMMON SHARES AND SURPLUS:			
Balance as per annexed statement, represented by 1,088,117 shares without nominal or par value, including 1918 shares deposited for exchange of shares of subsidiary companies. The total authorized issue is 1,500,000 shares			61,609,365.25
			$193,409,283.07

Common Shares and Surplus represented on the books of the Company and its subsidiaries by Earned Surplus, $18,592,124.81; Common Stock Account, $18,964,935.43; Capital Surplus, $24,052,305.01; Total, $61,609,365.25.

CONTINGENT LIABILITIES: Contractual and other obligations of General Power & Paper Company Limited, in connection with its purchase of Thunder Bay Paper Co., Limited and obligation in connection with subscription for shares of Newsprint Bond and Share Company $7,210,858.02

Approved on behalf of the Board,

VICTOR E. MITCHELL, Director.
L. R. WILSON, Director.

CONSOLIDATED SURPLUS AND PROFIT & LOSS ACCOUNT
For the Year Ending December 31, 1930

Balance at credit as at January 1, 1930, including earned surplus of Provincial Paper Limited, the entire outstanding common stock of which was acquired in January, 1930, for 100,000 shares without nominal or par value of the Abitibi Company (after deduction of dividend of $125,000.00 paid in January, 1930, to former common shareholders of Provincial Paper Limited)			$61,595,530.08
Profit from operations for the year ending December 31, 1930, after income tax, but before depreciation and interest		7,374,337.86	
Deduct:			
Provision for depreciation and depletion on usual basis of production	$1,666,523.89		
Interest on funded debt and other interest	2,786,070.80		
		4,452,594.69	
			2,921,743.17
			$64,517,273.25
Deduct:			
Dividends on:			
7% Cumulative Preferred Stock		70,000.00	
6% Cumulative Preferred Stock		2,092,908.00	
7% Cumulative Preferred Stock of Provincial Paper Limited		245,000.00	
			2,407,908.00
			$62,109,365.25
Transferred to Investment Reserve			500,000.00
Balance at credit carried forward			$61,609,365.25

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of the Abitibi Power & Paper Company, Limited and its subsidiary companies for the year ending December 31, 1930, and have obtained all the information and explanations which we have required; and we certify that, in our opinion, the above Balance Sheet at December 31, 1930, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Abitibi Power & Paper Company, Limited and its subsidiary companies, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Toronto, February 24, 1931.

PRICE, WATERHOUSE & COMPANY, Auditors.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING MARCH 9

Range 1931 High	Range 1931 Low	Divd. Rate $	Yield in % Mar. 7		Close Mar. 2 (or last)	Week Ending Mar. 9 High	Low	Close
13¾	8¾	.	...	Abitibi, c.	11	12	11	12
x110	103	7	...	Do. pref.	..	..	..	..
50	39½	6	13.62	Do. pref.	47½	45	44	45
8	7	.	...	Agnew Surp., c.	8	7½	7½	7½
88	87	7	7.95	Do. pref.	87½	88	87½	88
6¼	5	.	...	Alta. Pac. Grain	5	5	5	5
30	25	.	...	Do. pref.	25	25	25	25
3½	3	.	...	Amal. Elec.	3	..	..	..
18	18	3	16.66	Do. pref.	18	18	18	18
3½	2½	.	...	Anglo-Nor. Hold.	3½	..	..	..
.50	.25	.	...	Asbestos, c.	¼	.50	.40	.40
1½	1	.	...	Do. pref.	1	..	..	..
8½	6	1	12.50	Assoc. Brew.	8	8½	8½	8½
70	67	7	10.37	Do. pref.	67½	..	..	..
10	8½	.	...	Assoc. Can.	10	..	..	..
67½	65	4	5.92	Assoc. Tele. A.	65	67½	67½	67½
87	87	6	6.89	Do. pref.	87	..	..	..
37¼	12¾	.	...	Atlan. Sugar	32	37¼	32	35
105	79¾	.	...	Do. pref.	105	105	100	100
172¼	168¼	10	5.80	Bk. Can. Nat.	170¾	172¼	172	172¼
302	279	12+2	4.66	Bk. of Montreal	300	302	297	302
325	316	16	4.97	Bk. of N. Scotia	320	324	320	324
238	217	12+1	5.46	Bk. of Toronto	238	238	236	238
24	22½	1.50	6.25	Barcelona Tr.	24	24	24	24
5¼	5	.	...	Bathurst Pr.	5	5	5	5
4	3	.	...	Do. (B)	3	..	..	..
x26	26	.	...	Bawlf Grain	26	..	..	..
25	20	.	...	Do. pref.	25	20	20	20
12	11	40c	3.33	Beath & Sons	12	..	..	..
20	16	2	11.76	Beatty Bros.	17	..	..	..
80	75	6	8.00	Do. pref.	75	..	..	..
8¼	7	.	...	Beauharnois	7½	7¾	7¼	7¾
90½	90	7	7.73	Belding Cort.	90½	..	..	..
x110	98½	7	...	Do. pref.	100	..	..	..
55	40	.	...	Belgo C. B. pf.	40	..	..	..
151⅞	141	8	5.36	Bell Telephone	148½	149	148	149
x10½	1½	.	...	Biltmore Hats	1½	..	..	..
x85	65	7	...	Do. pref.	65	..	..	..
x22	14	.	...	Bissell	14	..	..	..
x97	88	7	...	Do. pref.	88	..	..	..
13	12	2	16.66	Blue Ribbon Cp.	13	12	12	12
35	30	3.25	9.70	Do. pref.	34	34	33½	33½
22½	19½	2	9.30	Brant. Cd. pf.	22	21½	20	20
28½	20¾	2†	...	Brazilian	25¼	28½	25	28
x2	⅞	.	...	Brew. & Distil.	1¼	..	..	..
16½	13¼	80c	5.71	Brit. Amer. Oil.	14¼	14½	13¼	13¼
3½	2	.	...	B. C. Packers	2	2½	2	2
22	12	.	...	Do. pref.	20	17	12	12
42½	34¼	2	4.76	B.C. Power	41	42½	40	42½
18	11½	.	...	Do. pref.	16	17¾	15¼	17½
2	1	.	...	B.E. Steel	1⅛	1	1	1
x41	21	.	...	Do. 1st pref.	..	..	..	..
3½	2½	.	...	Do. 2nd pref.	3½	..	..	..
8	6	.	...	Bruck Silk Mills	7	6¼	6	6
26	22½	2	7.69	Building Prod.	24½	26	26	26
44¼	40	3	7.05	Burt, F. N.	43	42¾	42	42½
146	145	6	4.13	Calgary Pr.	145	145	145	145
7⅞	7	50c	6.66	Can. Bread	7½	7½	7½	7½
100	95	7	7.00	Do. pref. (A)	100	100	100	100
80	62	7	8.97	Do. pref. (B)	78	..	..	..
12	8¾	1	9.09	Canada Bud	11	11½	10½	11½
18⅞	11⅞	.	...	Can. Cement	17	18	16¼	16¾
96	91	6.50	6.91	Do. pref.	96	96	94	94¼
b40¼	29⅞	3	8.21	Canada Dry	37	37⅞	35⅛	37⅛
x20	10	1.50	...	Can. Forg. (A)	15	..	..	..
x16	5	.	...	Do. (B)	5	..	..	..
68	67	3	4.47	Canada Iron	68	67	67	67
76	75	6	7.89	Do. pref.	75	76	76	76
16½	12½	1.50	9.45	Can. Malting	15⅞	16½	15⅞	15⅞
17	15	80c	5.00	Can. Nor. Pr.	16	16	16	16
106¼	104	7	6.58	Do. pref.	106¼	106¼	106¼	106¼
6	2	.	...	Can. Paving	6	6	5½	6
51	50	7	14.00	Do. pref.	50	51	50	50
214	206	12	5.68	Can. Perman.	210½	211	210	211
4½	2	.	...	Can. Pr. & Pap.	2½	2¼	2	2
9	4⅞	.	...	Can. Steam.	8	8	7¾	8
27	16	.	...	Do. pref.	24	23½	23	23
20	17⅞	1.60	8.88	Can. Vinegar	18¼	18	17⅞	17⅞
70	65	4	6.01	Can. W. Cable	67	67	66½	67
30¼	28¾	1.75	5.78	Do. (B)	30	30¼	29	29
16	10	.	...	Can. Bakeries	12	..	..	..
x99	72	7	...	Do. pref.	72	..	..	..
232	225	12+1	6.70	Can. Bk. of Com.	225	228	225	228
9	9	1	...	Can. Brewing	9	..	..	..
36½	34¼	2.50	6.94	Can. Bronze	36	36	36	36
110	109	7	6.42	Do. pref.	110	109	109	109
13¼	10⅛	50c	4.54	Can. Canners	11	11	11	11
92¼	89½	6	6.59	Do. 1st pref.	90	91½	90¾	90¾
14	12¾	80c	6.08	Do. 2nd pref.	13	13¼	13	13
19	17⅞	1.75	10.00	Can. Car & Fdy.	17¾	18¼	17¾	17½
25¼	24¼	1.75	7.03	Do. pref.	25	25	24¾	24⅞
12	10	.	...	Can. Celanese	11	11	11	11
62	59	3.50	...	Do. pref.	61½	60½	60½	60½
x76½	64	5	...	Can. Convert.	64	..	..	..
x50	45	.	...	Can. Cottons	50	..	..	..
55	53½	6	11.21	Do. pref.	53½	..	..	..
36½	25½	3	8.82	Can. Dredge	33	34	33	34
92	92	7	7.60	Do. pref.	92	..	..	..
81⅜	80½	6	7.37	Can. Fairb., pf.	80¾	81⅜	81⅜	81⅜
x20	9	.	...	Can. For. Inv.	9	..	..	..
x90	74	.	...	Do. pref.	74	..	..	..
260	246	4	1.53	Can. Gen. Elec.	255	260	255	255
62½	59½	3.50	5.66	Do. pref.	62	62	61	62
80	70	6	7.50	Can. Hyd. E. p.	78	80	78	79½
5¼	3	.	...	Can. Ind. Alc.	4¼	4¾	4½	4¾
3½	2¼	.	...	Do. (B)	3	3	3	3
5	4¾	.	...	Can. Int. I. Tr.	4¾	6	5	5
69	69	5	7.24	Do. pref.	69	..	..	..
30⅛	15	1	...	Can. Lt. & Pr.	30⅛	..	..	..
x25	25	.	...	Can. Locomo.	..	..	..	..
25	23	.	...	Do. pref.	25	25	25	25
b4½	1⅞	.	...	Can. Marconi	3⅝	4	3⅝	3⅝
23½	18	1	5.00	Can. Oil	20	20	20	20
120	115	8	6.95	Do. pref.	120	115	115	115
45¼	38¾	2.50	6.68	Can. Pacific	43	44	42	43
5½	4	.	...	Can. Vickers	4½	5½	5⅛	5½
35	22	.	...	Do. pref.	35	32	32	32
6	3½	50c	9.09	Can. Wineries	5⅛	5½	5	5½
16	12¾	1.50	11.53	Can. Wire Box.	13½	13¼	12¾	12¾
3	1⅞	.	...	Carling Brew.	2⅛	2⅝	2⅛	2⅛
x27	12	.	...	Catelli Mac. A.	12	..	..	..
x10	9	.	...	Do. (B)	10	..	..	..
301	290	12+3	4.97	Cent. Can. Loan	301	..	..	..
5.35	2.70	.	...	Chem. Research.	3.65	4.25	3.60	3.65
20.25	16.00	30c(c)	...	Cities Service	19.00	18.75	17.75	18.75
61	57	2	3.27	City Dairy	61	..	..	..
x155	120	7	...	Do. pref.	130	..	..	..
10	8⅞	60c	6.31	Cockshutt	9⅝	9½	9	9⅝
3¼	3	.	...	Comm. Alc.	3⅛	3¼	3	3¼
8	8	1	...	Conduits	..	8	8	8
94	90	7	7.77	Do. pref.	90	90	90	90
12⅞	8	1	8.69	Cons. Bakeries	10¾	11½	10	11¼
3	1¼	.	...	Cons. Food Prod.	1⅞	..	..	..
6	4½	.	...	Do. (A)	4½	..	..	..
30	28	2	6.66	Cons. Press	30	30	29¾	30
80	73	7	9.33	Cons. Sand, pf.	75	..	..	..
188¼	138	12.50	6.75	Cons. Smelters	177½	188¼	180	185
186	180¾	10	5.37	Consumers Gas	185	186	185½	186
x35	30	.	...	Cooksville Co.	30	..	..	..
x85	85	4	...	Do. pref.	85	..	..	..
20½	16½	.	...	Corporate Steel	19½	20½	18	20
x90	90	.	...	Corr. P. Box, p.	90	..	..	..
2.10	1.25	.	...	Cosgrave Br.	2.00	1.75	1.75	1.75
9	6	.	...	Cosmos Imp.	7½	7¾	7	7
93	88	7	7.95	Do. pref.	88	..	..	..
5	4	.	...	Crown Dom. Oil	4¾	4½	4	4
15	8½	75c	...	Crow's N. Coal.	9	9	8½	8½
.60	.59	.	...	Curtiss-Reid	.59	..	..	..
x8	5	.	...	Do. pref.	6½	..	..	..
5	4	.	...	David & Frere B	5	5	5	6
17	10¼	80c	5.00	De Forest	15½	16	15	15
x16	12	.	...	De Havilland	12	..	..	..
x15	8	.	...	Disher Steel	9	..	..	..
x18	17	1.50	...	Do. pref.	17	..	..	..
12⅞	9⅛	1	8.16	Distill-Seagram	12	12½	12	12
228	219½	12+1	5.87	Dominion Bank	223	222	221	221
55¾	47⅜	3.60	7.16	Dom. Bridge	50⅛	51	50	50⅛
40	40	.	...	Dom. Coal	40	..	..	..
50	31	2.40	7.16	Dom. Engineer.	32⅞	33½	32	33½
x14	10	.	...	Dom. Foundries	10	..	..	..
x90¼	76	.	...	Do. pref.	90¼	..	..	..
125	110	7	5.69	Dom. Glass	123	124	123	123
119	119	7	5.88	Do. pref.	119	..	..	..
20	20	.	...	Dom. Iron, pf.	20	..	..	..
12	10	.	...	Dom. Pr. Stubs.	12	..	..	..
24	24	.	...	Dom. Steel, pf.	24	..	..	..
8¼	5	.	...	Dom. St. & C. B.	7	7¼	6½	6½
22	13¾	1.20+4a	5.68	Dom. Stores	20½	21⅝	20	21½
12¾	8¾	.	...	Dom. Tar & Ch.	12¾	12½	11¼	11¼
90	85	6.50	7.22	Do. pref.	88¾	90	89½	90
82	76	5	6.45	Dom. Textile	80	78	76	76½
121½	120	7	5.76	Do. pref.	121	121½	121½	121½
12	10½	.	...	Donnacona	10½	..	..	..
7	4	.	...	Dryden Paper	6	5¾	5½	5½
7½	6	.	...	Duff. Paving	7½	7½	7½	7½
80	76	7	9.21	Do. pref.	78	76	76	76
11¾	4	40c	4.21	Durant	6½	11¾	7	10
22½	19	1	4.44	East. Dairies	19¾	22½	21	22½
x35	26	1+1	...	East. Steel	28	..	..	..
98	97½	7	7.17	Do. pref.	97½	..	..	..
x25	18	.	...	East Koot. Pr.	18	..	..	..
97	94⅝	7	7.36	Do. pref.	95	..	..	..
x34	28½	2	...	East. Theatres	28½	..	..	..
x85	80	7	...	Do. pref.	81½	..	..	..
3¾	2¾	.	...	Easy Washer	3¾	..	..	..
37	34¾	2.50	6.75	Economic Inv.	37	..	..	..
15	15	1	...	Edmonton Da'y	15	..	..	..
80	80	6.50	8.12	Do. pref.	80	..	..	..
8	6¾	1	14.80	Enamel & Heat.	6¾	..	..	..
34	30	3	8.82	Eng. Electric	34	..	..	..
16	16	.	...	Do. (B)	16	16	16	16
38	35	2	5.26	Fam. Players	37	..	..	..
x61¾	37	2	...	Do. Vot. Trust	47	..	..	..
17	11	1	6.25	Fanny Farmer	16½	16½	16	16
30	28	2.40	8.00	Do. pref.	30	..	..	..
x100	96½	7	...	Farmers' D'y p.	96½	..	..	..
x.25	.10	.	...	Federal Distil.	25	..	..	..
x83½	73	7	...	Firstbrook Box	..	..	..	..
28¼	21	1.20	4.44	Ford Motors A.	27	28	26½	27¾
16½	15	1	6.25	Foundation Co.	16	16½	16	16
3	1½	.	...	Fraser Cos.	2¼	2	2	2
6	6	.	...	Frost Steel	6	..	..	..
96	95	7	7.36	Do. pref.	95	..	..	..
7¼	4½	.	...	Gen. Ste. Wares.	5	6	5¼	6
109	90	5+2.50	7.14	Goodyear Tire	105	109	102	107
107⅞	101½	7	6.54	Do. pref.	105	107	105	106
93¼	93¼	7	...	Gould Pumps, pf.	93¼	..	..	..
¾	½	.	...	Gt. W. Saddlery	½	..	..	..
6	6	.	...	Do. pref.	6	..	..	..
31	26	2	6.66	Gurd, Chas.	29	30	29½	30
x110	108	7	...	Do. pref.	108	..	..	..
12⅞	10¾	80c	7.27	Gypsum, Lime	11¼	11½	11	11¼
17	14½	2	12.30	Ham. Bridge	16	16⅜	16	16
80	73	6.50	8.33	Do. pref.	78	..	..	..
17½	15	2	11.42	Ham. Cot., pf.	17½	..	..	..
3½	3	.	...	Ham. Un. Theat.	3½	3	3	3
60	56	7	11.66	Do. pref.	60	60	60	60
12	4	.	...	Hayes Wheel	12	..	..	..
x95	80	.	...	Do. pref.	..	..	..	..
x50	50	.	...	Hillcrest Coll.	..	..	..	..
x91	91	7	...	Do. pref.	..	..	..	..
4	4	.	...	Hinde & Dauch.	4	..	..	..
x120	120	.	...	Holt Renfrew	..	..	..	..
x96¼	90	7	...	Do. pref.	..	..	..	..
7	7	.	...	Honey Dew	7	..	..	..
56½	55	7	12.72	Do. pref.	55	..	..	..
6	5	.	...	H. Smith Pap.	5	5	5	5
x84	58	6	...	Do. pref.	...	..	..	..
19	18	2	10.52	Humberstone	19	..	..	..
23	18	1.40+50c	8.25	Hunt (A)	23	..	..	..
23	19	1.40+50c	8.25	Do. (B)	23	23	23	23
150	150	8	5.33	Huron & Erie M.	150	150	150	150
29¼	29¼	.	...	Do. 20% paid.	29¼	..	..	..
29⅞	22	1.40	...	Hydro Electric	29⅝	29⅞	28⅝	28⅝
225	217	12+1	6.85	Imperial Bank	220	223	220	220
18⅝	15⅞	50+50c	5.97	Imperial Oil	17	17¼	15⅞	16
10¼	9	35c	3.50	Imperial Tob.	10	10	9¾	10
29	25	2	7.40	Int. Hyd. E., A.	29	27	27	27
103	101	7	6.86	Inter. Mill., pf.	102	103	102	102
x92	88	6	...	Do. Series A.	88	..	..	..
20	13⅞	60c	3.56	Inter. Nickel	18½	19½	17¾	18½
10	10	1	...	Inter. Paints. A.	10	..	..	..
b10	6⅞	.	...	Int. Pap. & Pr.	9	9¾	9	9
b6	5	.	...	Do. (B)	6⅛	5½	5	5
b4½	2¾	.	...	Do. (C)	4	4¼	3½	3½
b40	26⅛	7	...	Int. Pap., pfd.	38½	37⅝	33½	33½
15½	12⅞	1	7.33	Inter. Pete.	14	14¼	12⅞	13
8	6	.	...	Inter. Power	8	8	8	8
70⅛	68½	7	10.00	Do. pref.	69½	70	69	70
45	38	3.50	7.91	Int. Util. (A)	44	44½	43	44½
11	5¾	.	...	Do. (B)	10	10¼	9⅝	10
40	..	1	...	Jam. Pub. Ser.	..	40	40	40
109	109	7	6.42	Do. pref.	109	..	..	..
5	3¾	.	...	Kelvinator	5	..	..	..
79	79	7	8.86	Do. pref.	79	79	79	79
x40	40	.	...	King Ed. Hotel	..	..	..	..
24	12	.	...	Lake of Woods	17⅝	17	17	17
101	100	7	6.93	Do. pref.	100	101	101	101
8¾	5	.	...	Lake Sup. Corp.	8	..	..	..
x190	180	10	5.84	Landed Banking	..	..	..	..
46	38	3	6.81	Laura Secord	44½	44½	43½	43½
15	10	1	6.89	Lindsay, C. W.	14½	14½	14½	14½
72½	69	6.50	9.28	Do. pref.	70	..	..	..
13½	11	80c	5.92	Loblaw (A)	13⅝	13½	13¼	13½
14	10	80c	5.92	Do. (B)	13	13½	13½	13½
x2¾	2¾	.	...	Loews, London	..	..	..	..
25	10	.	...	MacKin. Steel	20	..	..	..
95	92	7	7.60	Do. pref.	92	..	..	..
x36	20	.	...	Manitoba Pr.	20	..	..	..
8	7	.	...	Maple Leaf	7	..	..	..
37	32	.	...	Do. pref.	35	..	..	..
32	30	.	...	Marcus Loew's	30	..	..	..
71	71	7	9.85	Do. pref.	71	..	..	..
10½	6	.	...	Massey-Harris	9	9	8	8¼
22½	17	60c	3.11	McColl. Fron.	19⅝	19½	19	19
80	73	6	7.64	Do. pref.	78½	..	..	..
45	43	.	...	Mexican L. & P.	45	..	..	..
x25	25	.	...	Mercury Mills	..	..	..	..
x89	58½	.	...	Do. pref.	58½	..	..	..
x41	40	.	...	Mitchell, J. S.	40	..	..	..
x104	104	7	...	Do. pref.	..	..	..	..
19	15	1	5.26	Mitchell, Robt.	18	19	18	19
‡20	20	.	...	Monarch Knit.	..	..	..	..
x65	54	.	...	Do. pref.	..	..	..	..
95½	93½	6	6.41	Montreal Cot.	93½	..	..	..
100	98¼	7	7.12	Do. pref.	98¼	98¼	98¼	98¼
3½	3	.	...	Montreal Ex.	3½	3	3	3
x39	25	.	...	Mont. Is. Pr.	..	..	..	..
68⅝	54¼	1.50	2.37	Mont. L. & P.	60¼	63⅝	60	62¼
49½	49	3+25	6.63	Montreal Loan	49	..	..	..
50	48	3.20	6.40	Montreal Tele.	50	50	50	50
171	165	10	5.84	Mont. Trams.	168	171	171	171
17¾	16	1	6.06	Moore Corp., c.	17¼	17	16	16
108½	101	7	6.79	Do. (A)	101	105	102	103
126	115	7	5.83	Do. (B)	120	..	..	..
x10	10	.	...	Mt. Royal Hotel	..	..	..	..
x49	49	2	...	Do. pref.	..	..	..	..
3¼	2	10c	...	Muirheads	3	..	..	..
8½	6	75c	10.34	Do. pref.	8½	7¼	7¼	7¼
35⅝	23	1.60	4.70	Nat. Brew.	33¾	34⅛	33¼	33¾
33	29	1.75	5.30	Do. pref.	33	33	33	33
x10	3	.	...	Nat. Brick	3	..	..	..
19	10	.	...	Do. pref.	10	10	10	10
.50	.25	.	...	Nat. Distilleries	.25	..	..	..
42	33½	2	5.26	Nat. Steel Car.	38	38¾	37½	37½
360	335	14	4.18	National Trust	335	..	..	..
x21	17	1.50	...	Niag. W. Weav.	..	..	..	..
35	35	3	8.57	Do. pref.	..	35	35	35
x90	89¾	.	...	Nor. Mex. Pr.	..	..	..	..
x90	69½	7	...	Do. pref.	..	..	..	..
6.00	5.00	.	...	North Star Oil	5.00	..	..	..
4.90	4.75	35c	...	Do. pref.	4.80	4.80	4.80	4.80
x25	22¼	.	...	N.S. Steel, pref.	22½	..	..	..
285	258	8+5	4.56	Ogilvie Flour	275	285	275	285
127½	125	7	5.49	Do. pref.	127½	..	..	..
21	19	6	2.92	Ont. Eq. 10% p.	21	20½	20½	20½
118	118	6	5.08	Ontario Loan	118	..	..	..
5½	5	.	...	Ont. Silknit	5½	5	5	5
16	13	1.60	8.12	Ont. Steel	16	..	..	..
x105	105	7	...	Do. pref.	..	..	..	..
1	1	.	...	Orange Crush	1	..	..	..
60	56½	7	11.86	Do. (A)	59	..	..	..
5½	5½	.	...	Do. (B)	5½	..	..	..
98	90⅛	6	6.66	Ott. L. H. & Pr.	95	90⅛	90⅛	90⅛
104	103	6.50	6.25	Do. pref.	104	..	..	..
x34	30	.	...	Ott. Traction	..	..	..	..
92⅞	82	5	5.49	Page Hersey	92¼	92½	90¼	90½
49	41½	4	8.16	Paramount	48⅞	..	..	..
x50	25	.	...	Paton Mfg.	..	..	..	..
x95	95	7	...	Do. pref.	..	..	..	..
½	¼	.	...	Pelissiers	¼	¼	¼	¼
25	26	.	...	Do. pref.	..	25	25	25
73	69½	4	5.75	Penmans	69½	..	..	..
101	100	6	5.97	Do. pref.	100½	..	..	..
.75	.50	.	...	Perfection Glass	.75	..	..	..
25	18	2	8.16	Photo Eng.	25	25	24½	25
40	27	.	...	Port Alfred. pf.	28	..	..	..
x92	84	7	...	Porto Rico P. p.	..	..	..	..
b39½	25	.	...	Postal Tele.	..	..	..	..
60	50¾	2	3.33	Power Corp.	55	60	53¾	58¾
102	98	6	5.88	Do. pref.	101	102	101	101
4½	4⅛	.	...	Prairie C. Oil	4½	..	..	..
16	10¾	50c	3.57	Pressed Metals	14	..	..	..
42¾	37½	2	5.19	Price Bros.	38⅛	38½	38½	38½
99	95	6.50	6.63	Do. pref.	95	98	95	95
49	40	2.50	5.15	Quebec Power	45	49	45	48
110	105	7	6.60	Real Estate Ln.	110	106	106	106
3	2½	.	...	Regent Knit	3	..	..	..
10	5½	.	...	Reliance Grain	10	..	..	..
16	12½	2	14.80	River. S. Mills.	14½	13½	13½	13½
19	18	1.50	7.89	Robinson Cone	..	19	18	19
16½	14	1.20	8.35	Rogers Majestic	15¼	15¼	14	14
289	272	12+2	4.87	Royal Bank	287	288½	286½	286½
83½	80	7	8.38	Ruddy, E. L. p.	83½	..	..	..
77¾	77¾	5	...	Russell Motor	77¾	..	..	..
95	92¼	7	7.58	Do. pref.	92¼	..	..	..
x24½	7	2	...	Sarnia Br. (A)	..	..	..	..
x12	5	.	...	Do. (B)	..	..	..	..
36¾	31	2.60	8.12	Serv. Stn. Eq.	35	35	32	32
90½	87	6	6.74	Do. pref.	90	89	89	89
59½	49¼	2.60	4.20	Shawinigan	55½	59½	58½	58
29½	26¾	1.60	5.51	Sher.-Wms.	29½	29½	29	29
119	117	7	5.93	Do. pref.	118	118	117	118
22	20	2.50	12.19	Simon & S.	20	20½	20	20
92	88¼	7	7.93	Do. pref.	90	88¼	88¼	88¼
92½	88⅝	6½	7.28	Simpson Ltd.	90	90	89	89
x55	45	2	...	Do. (A)	..	..	..	..
35½	33⅛	.	...	Do. (B)	33½	..	..	..
108	104	6	5.55	Simpson, R.	107	108	106¼	108
4	2½	.	...	St. Law. Corp.	2½	2½	2½	2½
12	9¼	2	...	Do. (A)	10	9½	9¼	9¼
17	16¼	.	...	St. Law. Flour	16½	..	..	..
85	82	7	8.23	Do. pref.	85	..	..	..
x13	2	.	...	St. Law. Paper.	..	..	..	..
30⅛	19½	6	...	Do. pref.	21	22	19½	19½
30	19	.	...	St. Maur. V. pf.	19	..	..	..
31½	30	1	3.20	So. Can. Pr.	31	31½	31¼	31½
106¼	104¾	6	5.66	Do. pref.	106½	106¼	106	106
x14	3	.	...	Sprucolite	..	..	..	..
16⅛	14	2	12.69	St. Pav. & Mat.	15¾	16	15	15½
80	76	7	9.21	Do. pref.	77	76½	76	76
x4	1	.	...	Stanfords	..	..	..	..
15	8	1	...	Stand. Chem.	8	..	..	..
9⅞	7	.	...	Stand. Steel	9¼	9⅞	9	9
x42½	36½	3	...	Do. pref.	..	..	..	..
42¼	37	1.75	4.45	Steel of Can.	39	39¼	38½	39¼
37	34¾	1.75	5.00	Do. pref.	36¾	37	34¾	34¾
4½	3½	.	...	Sterling Coal	3½	..	..	..
22½	28⅛	80+50	4.33	Super. Pet. Ord.	30	30½	29	29
105	100	7	6.86	Do. pref.	103	102	102	102
31	28½	80+50	4.47	Do. com.	29	29	29	29
49	46	.	...	Tamblyn	46	..	..	..
104½	101	7	6.86	Do. pref.	108	104½	102	104½
28	20	3.50	12.50	Thayers, pref.	28	..	..	..
13	12	.	...	Tip Top Tailors.	12	..	..	..
90	87½	7	7.86	Do. pref.	90	89	89	89
22	21½	.	...	Tooke Bros.	21½	..	..	..
67	65	7	10.76	Do. pref.	65	..	..	..
15	9½	.	...	Tor. Elevators	14	15	14	14
235	227	12	5.10	Tor. Gen. Trusts	230	235	235	235
112	108	6	5.35	Toronto Mtge.	112	..	..	..
3	2¼	.	...	Traymore	2¼	2¼	2¼	2¼
12½	11½	1.40	11.66	Do. pref.	12	12	12	12
126	123	7	5.60	Tuckett Tob. pf.	125	125	124¾	125
17¼	9½	4 (scrip)	..	Twin City	13	..	..	..
b62	41¼	7	...	Do. pref.	..	..	..	..
16	13	1.60	10.66	Union N. Gas	15	15	15	15
100	98	7+1	8.16	Union Trust	98	..	..	..
8	7	.	...	United Fuel	7	..	..	..
65	50	6	12.00	Do. pref.	50	..	..	..
66½	34	2	...	United Secs.	40	..	..	..
24¼	8¼	.	...	Viau Biscuit	20	24	19½	19½
86	75	7	8.23	Do. pref.	83	86	85	85
30	30	.	...	Wabasso	30	..	..	..
8⅝	6⅛	1	12.30	Walker-Good.	8⅝	8⅝	7⅞	8
7¾	4	.	...	Waterloo Mfg.	7¾	..	..	..
32½	30	1	3.07	Weston	32½	..	..	..
90	84	7	7.77	Do. pref.	90	..	..	..
17½	16¼	1.40	8.61	West. C. Flour.	17	16¼	16¼	16¼
95	85	6.50	7.38	Do. pref.	87	90	88	88
x23	17	.	...	West. Grocers	17	..	..	..
55	45	7	14.58	Do. pref.	45	48	45	45
85	85	6.50	7.64	W. St. Prod. pf.	85	..	..	..
x9	9	.	...	Whittall Can	..	..	..	..
12	10	.	...	Windsor Hotel	10	12	12	12
71	71	6.50	9.15	Do. pref.	71	71	71	71
20	14	.	...	Winnipeg Elec.	16	20	15¾	20
81½	72	7	9.53	Do. pref.	75	75	72¾	75
‡30	30	.	...	Woods Mfg.	..	..	..	..
40	40	.	...	Do. pref.	40	..	..	..
80	80	7	8.75	Wood. Alex. J. p	80	..	..	..
x2½	1½	.	...	Zimmerknit	..	..	..	..
7	7	.	...	Do. pref.	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a. Stock dividend.
b. New York quotations.
† Quarterly div. paid March 2 in stock in lieu of cash.
‡ Quotations for 1929.
c. 2½c monthly plus stock dividend of .005% monthly.

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Agnew Surpass, pref.	7%	1¾%	Apr. 1	Mar. 16
Abitibi pref.	7%	1¾%	Apr. 1	Mar. 20
Assoc. Breweries	$1	25c	Mar. 31	Mar. 14
Do., pref.	7%	1¾%	Apr. 1	Mar. 14
Brit. Amer. Oil	80c	20c	Apr. 1	Mar. 14
Belding Corticelli, pfd.	7%	1¾%	Mar. 14	Feb. 28
Barcelona Traction	...	50c	Mar. 14	Feb. 23
Bk. of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Brewing Corp.	$2.50	62½c	Apr. 1	Mar. 14
Brazilian Tr. pfd.	6%	1½%	Apr. 1	Mar. 16
B. C. Power, "A"	$2	50c	Apr. 15	Mar. 31
Bell Telephone	8%	2%	Apr. 15	Mar. 23
Can. Foundries "A"	$1.50	37½c	Apr. 15	Mar. 31
Can. Bakeries, 1st pfd.	$7	$1.75	Mar. 15	Mar. 2
Canada Cement, pfd.	6½%	1⅝%	Mar. 31	Feb. 28
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 25
Claude Neon, pref.	7%	1¾%	Mar. 15	Feb. 28
Can. Canners	50c	12½c	Apr. 1	Mar. 14
Do., 1st pfd.	6%	1½%	Apr. 1	Mar. 14
Do., conv. pfd.	80c	20c	Apr. 1	Mar. 14
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 20
Can. Northern Power, pref.	7%	1¾%	Apr. 15	Mar. 31
Can. Northern Power, com.	80c	20c	Apr. 25	Mar. 31
Cosmos Imp., pref.	7%	1¾%	Mar. 15	Jan. 31
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 28
Do.	...	$1	June 15	May 31
Do.	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Do., "B"	...	43¾c	Mar. 15	Feb. 28
Can. Pacific Rly.	10%	2½%	Apr. 1	Mar. 2
Do., pref.	4%	2%	Apr. 1	Mar. 2
Canada Iron, com.	3%	1½%	Mar. 16	Feb. 28
Do., pref.	6%	3%	Mar. 16	Feb. 28
David & Frere "A"	$2.25	56c	Mar. 16	Feb. 28
Can. Permanent Mtge.	12%	3%	Apr. 1	Mar. 14
Cooksville Co. pfd.	4%	1%	Mar. 16	Feb. 28
Can. Light & Pr.	...	1%	Apr. 7	Mar. 23
Canada Malting	$1.50	37½c	Mar. 16	Feb. 28
Can. Cottons, pfd.	6%	1½%	Apr. 4	Mar. 21
Central Can. Loan	12%	3%	Apr. 1	Mar. 14
Conduits, pref.	7%	1¾%	Apr. 1	Mar. 17
Can. General Electric	$4	$1	Apr. 1	Mar. 14
Do., pref.	7%	1¾%	Apr. 1	Mar. 14
Consumers' Gas	10%	2½%	Apr. 1	Mar. 14
De Haviland, pref.	7%	1¾%	Mar. 16	Mar. 12
Dominion Bank	12+1%	3%	Apr. 11	Mar. 20
Dominion Textile	$5	$1.25	Apr. 1	Mar. 14
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Durant Motors	40c	20c	Apr. 1	Mar. 7
Dominion Engineering	$2.40	60c	Apr. 15	Mar. 31
Dominion Glass	7%	1¾%	Apr. 1	Mar. 16
Do., pref.	7%	1¾%	Apr. 1	Mar. 16
Dominion Stores	$1.20	30c	Apr. 1	Mar. 20
Dominion Tar, pref.	6½%	1⅝%	May 1	Apr. 6
East Kootenay Power, pfd.	7%	1¾%	Mar. 16	Feb. 28
Gt. Britain & Can. Invest. pfd.	5%	2½%	Apr. 1	Mar. 20
Famous Players	$2	50c	Mar. 28	Mar. 6
Freiman, A. J., pfd.	6%	1½%	Apr. 1	Mar. 14
Fanny Farmer	$1	25c	Apr. 1	Mar. 16
Do., pref.	$2.40	60c	Apr. 1	Mar. 16
Gurd, Chas.	$2	50c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Goodyear Tire	$5	$1.25	Apr. 1	Mar. 14
Do., pref.	7%	1¾%	Apr. 1	Mar. 14
Hamilton Cottons, pref.	$2	50c	Apr. 1	Mar. 14
Hunt's "A" & "B"	$1.40+*50c	35c	Apr. 1	Mar. 16
Hollinger Mines	65c	1%	Mar. 25	Mar. 11
Hydro-Elec. Secs.	...	35c	Mar. 16	Mar. 12
Ham. United Theat. pfd.	7%	1¾%	Mar. 31	Feb. 28
Hillcrest Collieries, pfd.	7%	1¾%	Apr. 15	Mar. 31
Huron & Erie Mtge.	8%	2%	Apr. 1	Mar. 15
Inter. Petroleum	$1	25c	Mar. 16	Feb. 28
Inter. Proprietaries "A"	$2.60	65c	Mar. 16	Feb. 25
Inter. Nickel, c.	60c	15c	Mar. 31	Mar. 2
Inter. Nickel pfd.	7%	1¾%	May 1	Apr. 1
Imperial Tobacco, ord.	7%	1¾%	Mar. 31	Mar. 4
Do., pref.	6%	3%	Mar. 31	Mar. 4
Jamaica Pub. Service	$1	25c	Apr. 1	Mar. 13
Do., pref.	7%	1¾%	Apr. 1	Mar. 13
Lake Shore Mines	$1.20	30c	Mar. 16	Mar. 2
Laura Secord, pfd.	$7	$1.75	Apr. 1	Mar. 16
Mackay, pref.	$4	$1	Apr. 1	Mar. 13
Mitchell, J. S., pfd.	7%	1¾%	Apr. 1	Mar. 16
Model Oils	12c	3c	Mar. 16	Mar. 5
Montreal Loan	12+1%	3+1%	Mar. 16	Feb. 28
McColl Frontenac	60c	15c	Mar. 14	Feb. 14
McColl-Frontenac, pref.	6%	1½%	Apr. 15	Mar. 31
Montreal Cottons, pfd.	7%	1¾%	Mar. 15	Feb. 28
Do., com.	6%	1½%	Mar. 15	Feb. 28
National Steel Car	$2	50c	Apr. 1	Mar. 17
Northern Ontario Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
National Trust	14%	3½%	Apr. 1	Mar. 21
N. S. Light & Power, ord.	$4	$1	Apr. 1	Mar. 14
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 16
Do., pref.	$1.75	44c	Apr. 1	Mar. 16
Ontario Silknit pfd.	7%	1¾%	Mar. 16	Feb. 28
Ontario Loan & Deb.	12%	3%	Apr. 1	Mar. 16
Ontario Tobacco, pfd.	4%	1%	Apr. 1	Mar. 1
Page Hersey, com.	$5	$1.25	Apr. 1	Mar. 20
Do., pref.	7%	1¾%	Apr. 1	Mar. 20
Penmans	$4	$1	May 15	May 5
Do., pref.	6%	1½%	May 1	Apr. 21
Porto Rico Pr. pref.	7%	1¾%	Apr. 1	Mar. 16
Power Corp. pref.	6%	1½%	Apr. 15	Mar. 31
Do., non-cum., pfd.	$3	75c	Apr. 15	Mar. 31
Pioneer Gold, B.C.	...	3c	Apr. 1	Mar. 16
Price Bros.	2%	½%	Apr. 1	Mar. 14
Do., pref.	6½%	1⅝%	Apr. 1	Mar. 14
Premier Gold Mines	12c	3c	Apr. 4	Mar. 13
Pressed Metals	50c	12½c	Apr. 1	Mar. 16
Quebec Power	$2.50	62½c	Apr. 15	Mar. 23
Riverside Silk Mills	$2	50c	Apr. 1	Mar. 14
Robinson Cons. Cone	$1.50	37½c	Apr. 1	Mar. 15
Royalite Oil	...	50c	Mar. 16	Mar. 5
Ruddy, E. L. pref.	7%	1¾%	Mar. 15	Feb. 28
Reliance Grain, pref.	6½%	1⅝%	Mar. 14	Feb. 28
Shawinigan	$2.50	63c	Apr. 10	Mar. 16
Standard Steel, pfd. "A"	$3	75c	Apr. 1	Mar. 15
Southern Can. Power, pfd.	6%	1½%	Apr. 15	Mar. 20
Service Stn. Equip. "A" & "B"	$2.60	65c	Apr. 1	Mar. 16
Sher.-Williams	$1.60	40c	Mar. 31	Mar. 14
Do., pref.	7%	1¾%	Mar. 31	Mar. 14
Supertest Pete ord. & com.	$1	25c	Apr. 1	Mar. 13
Do., pref. "A"	7%	1¾%	Apr. 1	Mar. 13
Do., pref. "B"	6%	1½%	Apr. 1	Mar. 13
Steel of Can.	$1.75	43¾c	May 1	Apr. 7
Do., pref.	$1.75	43¾c	May 1	Apr. 7
Tamblyn, pref.	7%	1¾%	Apr. 1	Mar. 21
Toronto Mortgage	12%	3%	Apr. 1	Mar. 14
Toronto Gen. Trusts	12%	3%	Apr. 1	Mar. 17
Twin City pref.	$7	$1.75	Apr. 1	Mar. 12
Viau Biscuit, pfd.	7%	1¾%	Apr. 1	Mar. 7
United Securities	...	2%	Apr. 10	Mar. 23
United Amusement "A"	$2	50c	Mar. 15	Feb. 28
Do., "B"	$2	50c	Mar. 15	Feb. 28
Western Grocers, pref.	7%	1¾%	Apr. 15	Mar. 20
Western Can. Flour	$1.40	35c	Mar. 16	Feb. 28
Do., pref.	6½%	1⅝%	Mar. 16	Feb. 28
Walker-Good.	$1	25c	Mar. 16	Feb. 20
Wentworth Radio pfd.	6½%	1⅝%	Mar. 15	Mar. 3
Winnipeg Elec. pfd.	7%	1¾%	Apr. 1	Mar. 6
Wright-Hargreaves	10c	2½c	Apr. 1	Mar. 14

*Bonus.

Listed Bond Quotations

Week Ending March 9

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
Abitibi, 1st Mtge.	5	1953	7.35	†74	74½	74¼	78	74¼
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st Mtge.	6	1941	...	19½	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x102¾	102⅛
Can. Cottons	5	1940	...	...	...	...	x55	...
Can. Forgings	6	1942	...	†99	...	...	...	...
Can. Locomotive	6	1951	...	94	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	12	15	10¼	28½	10⅛
Do., (Way. ser.)	5½	1958	...	†10	14	10	28½	10
Can. S.S. deb.	5	1943	...	...	...	...	x98¼	94
Cedars Rapids	6	1953	4.80	105	...	...	102⅝	...
Dom. Canners	6	1940	...	†103	...	...	x103	...
Dom. Coal	5	1940	...	†98	...	...	x97¾	95⅞
McNish	6	1948	...	5.25	3.24	3.00	3.25	2.30
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70¼
Mont. L. H. & Pr.	4½	1932	...	†100	...	...	x100	98⅝
Mont. Tr. 1st mtge.	5	1941	4.87	101	101	...	101	99½
Mont. Tr. "A"	5	1955	5.45	94¼	94	93½	94	91
Mont. Tr. G.&R. 'B'	5	1955	5.50	94¼	...	...	93¼	92⅜
Do., "C"	4½	1955	5.69	...	84½	...	85	84
Do., "D"	5	1955	5.57	†93¾	...	...	92½	...
N. S. Steel	5	1959	9.20	...	...	...	58	...
Ogilvie Flour "A"	6	1932	5.82	†100	...	...	100¼	...
Do., "B"	6	1932	5.80	†100	...	...	x100⅝	100
Do., "C"	6	1932	...	†100	...	...	x103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.53	...	...	...	93	...
Steel of Can.	6	1940	4.95	†105¾	...	...	107½	...
Wayagamack	6	1951	8.65	75	...	...	75	...
West. K. Pr.	6	1940	5.15	†109¾	...	...	106	...
Winn. Elec.	5	1935	...	98¼	...	...	x98¼	...
Toronto								
Canada Bread	6	1941	...	...	...	...	x104	101
Postal Tel.	5	1953	...	...	...	...	x95	88¾
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	3⅝	†100.90	100.70	100.00	100.95	100.00
Do.	5	1937	3.87	106.35	106.10	.....	106.10	104.00
Victory Loan	5½	1933	4.10	†103.75	103.80	103.55	103.80	103.00
Do.	5½	1934	4.40	†103.70	103.70	103.60	103.75	102.95
Do.	5½	1937	3.93	109.75	109.75	109.30	109.75	107.05
Do., refund	4½	1940	4.45	100.25	.....	.....	100.10	99.40
Do., refund	5	1943	4.54	104.15	104.15	.....	104.15	103.50
Do., refund	4½	1944	4.60	100.25	100.00	.....	100.55	99.45
Do., refund	4½	1946	4.45	100.35	.....	.....	100.45	99.70
Do., renewal	5½	1932	4.30	†102.05	102.05	.....	102.05	101.55

†—Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)
March 10, 1931

Industrial Stocks	Bid	Asked
Allens London pfd.	30.00	40.00
Andian Nat. Corp.	27.00	32.00
Bord. Cit. Htl. pfd.	....	16.00
Brand.-Hend. 7% pfd.	87.50	96.00
Brew. Corp. of Can. com.	1.25	2.50
Brew. Corp. of Can. pfd.	12.00	16.00
B.C. Pulp & Paper com.	1.75	3.75
B.C. Pulp & Paper 7% pfd.	....	60.00
Canada Biscuit pfd.	....	10.00
Can. Crush. Stone, pfd.	60.00	74.00
Canada Dairies pfd.	....	75.00
Can. Dom. Sugar c.	17.25	19.75
Can. Machinery c.	6.00	9.50
Can. Mach. 7% pfd.	25.00	35.00
Can. Packers com.	18.00	24.00
Can. Pack. 7% pfd.	94.00	98.00
Can. Wire & Cable 6½% pfd. w.w.	101.00	....
Can. Indust. c. "A"	135.00	175.00
Can. Indust. c. "B"	135.00	176.00
Can. Indust. 7% pf.	122.00	128.00
Can. Westinghouse.	73.00	76.00
Chase, A. W. 8% pf.	43.00	49.00
Clifton Co. Ltd.	....	130.00
Cons. Oka Sand & Gravel com.	5.00	10.00
Copeland Flour 6% pfd.	9.00	16.00
Dom. Alloy 8% pfd.	1.00	2.00
Dom. Alloy com.	....	.25
Dom. Foundries & Steel 8% pfd.	66.50	72.00
Dom. Foundries & Steel com.	9.00	....
Dom. Mfrs. com.	7.00	....
Dom. Mfrs. pfd.	76.00	....
Dunlop Tire 7% pf.	101.00	105.00
East. Car 6% pfd.	61.00	74.00
Eastern Dairies 7% pfd.	95.00	100.00
Edmonton Stk. Yds. pfd. bonus	....	75.00
Frost & Wood c.	....	12.00
Goderich Elevator.	15.50	17.50
Greening Wire 7% pfd.	97.00	103.00
Guard. Realty pfd.	57.00	....
Harding Carp. pfd.	....	67.00
Inter-City Bak. c.	47.00	62.00
Inter. Proprie. "A"	30.00	34.00
Loew's London c.	1.00	3.00
Loew's London 7% pfd.	2.25	4.25
Mansfield Theatre pfd.	42.00	....
Milton Brick c.	....	20.00
Nat. Grocers c.	1.10	2.00
Nat. Grocers 2nd 7% pfd.	50.50	57.00
Para. Oshawa c.	12.50	....
Provincial Paper 7% pfd.	81.00	90.00
Rolland Paper pfd. bonus	60.00	75.00
Sawyer Massey c.	....	7.00
Service Stations "A" pfd.	78.00	85.00
Stand. Clay Prod. c.	26.00	35.00
Stand. Fuel pfd. bonus	73.00	81.00
Supertest Petroleum "B" pfd.	20.60	27.00
Toronto Ball Club.	....	60.00
Toronto Brick pfd.	68.00	80.00
Toronto Carp. c.	113.00	....
Toronto Carpet 8% pfd.	101.00	111.00
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	30.50	39.00
United Amuse. 'A'	25.25	34.00
Western Grain pfd. bonus	....	83.00
Willards Choc. 8% pfd.	56.25	65.00
Willards Choc. c.	2.00	4.00
Insurance Stocks:		
Brit. Amer. Assce.	53.00	....

	Bid	Ask
Canada Life	685.00	735.00
Canada Nat'l. Fire	....	29.00
Can. Fire Insurance	80.00	88.00
Capital Life 20% pd.	....	27.00
Commercial Life 10% pd.	....	26.00
Confed. Life 20% pd.	245.00	295.00
Continental Life 20% pd.	70.50	79.00
Crown Life	275.00	400.00
Dominion Fire	107.50	135.00
Dom. of Can. Gen.	240.00	300.00
Dom. Life 50% pfd.	340.00	400.00
Excelsior Life 30% pd.	106.00	130.00
Fed. Fire 25% pd.	32.00	....
Fidelity Ins. of Can.	95.00	122.00
Great West Life	470.00	530.00
Guar. Co. of N.A.	240.00	300.00
Halifax Fire	20.00	24.50
Imperial Life	405.00	435.00
Mfrs. Life	350.00	380.00
Monarch Life 10% pd.	31.00	38.00
National Life 25% pd.	112.50	140.00
Sask. Life 10% pd.	13.50	22.50
Sovereign Life 25% pd.	30.00	37.00
Sun Life	1800.00	1830.00
Western Assurance	44.00	49.00
West. Life 20% pd.	12.00	15.00
Trust & Loan Stocks:		
Br. Mtg. & Trusts	210.00	240.00
Can. Gen. Inv. Trust 1st	50.00	60.00
2nd Can. Gen. Inv.	10.00	14.00
Capital Trust	71.00	84.00
Chartered Trust	112.00	126.00
Commercial Fin. pf.	48.50	59.00
Commercial Fin. c.	6.00	11.00
Deb. & Sec. com.	70.00	88.00
Deb. & Sec. pfd.	61.00	68.00
Guelph & Ont. Inv. par $50	58.00	66.00
Lambton Loan & Sav.	80.00	100.00
London & Western Trust	....	130.00
Midland Loan & Sav.	18.00	24.00
Mtge. Disc. 6% pf.	3.50	5.00
Mtge. Disc. com.	.25	.65
Mutual Finance c.	4.00	7.00
Mutual Finance pf.	4.00	7.00
Sec. Loan & Sav.	113.00	130.00
Sherbrooke Trust	118.00	....
Sterling Trust	87.00	....
Traders Fin. "A" pfd.	....	82.00
Traders Fin. "B" pfd.	....	82.00
Traders Finance c.	....	16.25
Trusts & Guarantee	86.50	92.50
Waterloo Trust & Sav.	126.00	148.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	103.00	105.50
Calgary Pwr. pfd.	92.50	95.50
Can. Northern Pwr. pfd.	106.00	....
Can. West. Nat. Gas LH & P pfd.	88.00	94.00
East Kootenay Power pfd.	96.00	100.00
Great Lakes Power pfd.	94.00	98.00
N.B. Pwr. 1st pfd.	62.50	....
N.S. L & P pfd.	93.50	99.00
Ottawa LH & P 6½% pfd.	101.00	106.00
Power Corp 6% pfd.	99.00	101.00
Recent London Quotations:		
Brewer Distillers		4s. 6d.
Can. & For. Sec.		7s. 3d.
Can. West. Lumber		1s. 10½d.
Hudson's Bay		32s. 2¼d.
Do., 5% pfd.		75s.
Internat. Holding		3 3/16
Wall Paper Mfg.		29s. 6d.
Pref. 5%		18s. 6d.

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	103.50	104	3.40
Dominion of Canada 5½/34	103.50	104	4.00
Dominion of Canada 5 /43	103.75	104.25	4.55
Dominion of Canada 4½/46	99.75	100.50	4.45
C. N. R. 4½/54	98.75	99.75	4.50
C. N. R. 5 /54	103.75	105.50	4.80
C. N. R. 4½/55 (D. of Can.)	102	103.50	4.40
C. N. R. 4½/56	98.75	99.75	4.51
C. N. R. 5 /69	105.75	106.75	4.60
Prov. Ontario 4½/44	98.50	100.50	4.45
Prov. Ontario 5 /48	103.75	105.25	4.60
Prov. Ontario 4½/70 (Hydro	102	102.75	4.50
Prov. Quebec 4½/50	99	100.75	4.60
Prov. Quebec 4½/56	99	100.75	4.40
Abitibi P. & P. 5/53	74	76	7.15
Algoma Steel Corp. 5/62	59	63	6.50
Argentine Govt. 6/58 Ser. "B"	93	95	6.40
Bell. Tel. of Canada—1st, 5/57	104.50	106	4.60
Brazil U.S. Ext. S.F. 6½/57	65	68	9.50
B.A. Oil 5/45	98.25	100	5.00
British Col. Power 5½/60	102	104	5.20
B.C. Telephone 5/60	99	101	4.95
Calgary Power 6/60	94.25	97	5.20
Canada Cement 1st, Mtge. S.F. 5½/47	100.75	101.75	5.35
Canada Northern Power 5/53	89	90.50	5.75
Canada Power & Paper 5½/58	10	13	...
Can. Light & Power 1st, S.F. 5/49	93.25	96	5.35
Canada S.S. Lines 1st and Gen. 6/41	70	75	
C. P. R. Coll. Trust 5/54	103	105	4.45
C. P. R. Secured 4½/44 Notes	97.50	99.50	4.55
Chile Republic Ext. S.F. 6/60	81	83	7.40
Colombia Republic Ext. S.F. 6/61	68	72	...
Davies, Wm. 6/42	92	95	6.65
Dominion Steel Corp. 6/39	80	85	8.65
Dominion Square Corp. 6/48	78	82	6.80
Dominion Tar & Chemical 6/49	99.25	101	5.90
Dominion Textile 6/49	105	106	5.45
Duke Price Power 1st, 6/66	103.50	105	5.65
Eastern Dairies Conv. 6/49	96.50	100	6.00
Eaton, T. Realty 5/49	93	96	5.35
Foreign Power Sec. 6/49	96	100	6.00
French National Mail Ext. S.F. 6/52	102.50	104.50	5.65
Gatineau Power 1st, Mtge. 5/56	93	95	5.50
Gatineau Power 1st S.F. Debs. 6/41	92	95	6.70
Howard Smith Paper Mills 5½/53	73	78	7.40
Manitoba Power 1st, S.F. 5½/51	93	98	5.65
Massey Harris, 1st Mtge. 5/47	80	86	6.30
Montreal Coke, 1st, S.F. 5½/47	101.50	102.75	5.30
Montreal Island Power 5½/57	98	100	5.50
Montreal Power 5/51	102.75	104.50	4.65
Montreal Trams 1st, Coll. Trust 5/41	99.25	101.50	4.80
Montreal Trams Gen. Ref. 4½/56	84	87	5.45
Montreal Trams Gen. Ref. 5/55	92.50	94.50	5.35
Moodie, J. R. 6/48	97	100	6.00
Nova Scotia Steel & Coal 1st, 5/59	59	68	9.20
Nova Scotia Steel & Coal 1st, 6 Debs.	30	40	...
Ogilvie Flour Mills 6/32	100	102	4.60
Ogilvy Realty 6½/32	100	103	6.10
Ontario Power Service 5½/50	90	93	6.00
Power Corp. of Canada 4½/59	84	89	5.45
Price Bros. 1st S.F. Ser. "A" 6/43	99	101	5.90
Quebec Power 1st Mtge. Coll S.F. 5/68	101.25	103	4.80
Rio de Janeiro Trams 5/35	97	100	5.00
Shawinigan Water & Power 4½/70	94.75	97	4.65
Shawinigan Water & Power 5 /70	102.25	104	4.75
Simpsons 6/49	98	101	5.90
Southern Can. Power 1st, 5/55	101	102.50	4.80
United Securities Coll. Trust 5½/32	98	100	5.50
Windsor Hotel 6½/43	101	103.50	6.10
Windsor Hotel 6 /47	95	98	6.20
Winnipeg Electric 5/35	98	101	4.75
Winnipeg Electric 6/54	93	98	6.15

Winnipeg Grain Prices

Week to March 10

High	Low		Open Mar. 4	High for week	Low for week	Close Mar. 10
		Wheat				
1.13¼	.52½	May	.58½	.60⅞	.58⅛	.59⅞
.77¼	.54	July	.60¼	.62½	.59⅞	.61⅜
.70⅝	.57⅞	October	.62¼	.64⅝	.61⅝	.63⅛
		Oats				
.52	.26⅜	May	.30⅝	.30⅞	.30	.30⅛
.33½	.26⅝	July	.30⅛	.30⅞	.30	.30½
.34⅛	.27¾	October	.32¼	.32½	.31¼	.32¼
		Barley				
.49	.21⅞	May	.26¾	.27⅞	.26⅛	.27⅛
.32¼	.23¼	July	.27⅞	.29	.27½	.28⅜
.31⅝	.25½	October	.29⅝	.31⅜	.29⅝	.30⅞
		Flax				
1.32½	.94¼	May	1.05	1.06½	1.03	1.06½
1.11	.95½	July	1.06½	1.08½	1.06	1.08½
1.11	.99½	October	1.09⅝	1.10	1.07	1.09⅞
		Rye				
.71	.25¼	May	.33¾	.34½	.33⅛	.33⅞
.75	.29⅝	July	.35⅝	.36⅛	.34⅝	.35⅝
.40⅛	.31⅝	October	.37⅞	.38½	.37	.37½

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

PORTAGE MUTUAL NOW OPERATING IN ONTARIO, B.C.

Forty-seventh Report of Manitoba Concern Shows Progress

Expansion of the Portage la Prairie Mutual Insurance Co. into British Columbia and Ontario was announced at the company's annual meeting held in Winnipeg last week. The company has been in business for 47 years in Manitoba, having started operations 17 years before confederation, and has now obtained a Dominion license which enables it to write automobile, plate glass, burglary and windstorm lines in addition to fire insurance.

In its annual report the company shows assets of $1,507,564 of which $1,457,088 represents surplus over all liabilities. The company wrote $28,744,643 of new business in 1930 as compared with $23,061,787 in the previous year, an increase of $5,204,715. Total business in force at the end of the year was $73,720,367 as compared with $68,515,652 at the end of 1928. The company states that bonds and securities have been taken in at the market value, that depreciation has been allowed and only current premium notes are included in the assets. Loss claims during the year were $194,723, an increase of $17,843 over 1929. Of the total, fire losses were $164,704; lightning, $10,650 and windstorm, $13,807. The fire loss ratio for 1930 was slightly lower than in 1929.

As to colections, the company reports that at the end of the year these amounted to 81 per cent of the total assessment. In its mercantile and casualty the company has adopted the plan of not carrying any risk unless the premium is paid in the allotted time.

As to expansion into new territories, E. H. Muir, president of the company, announced that Allan E. L. Wetmore has been appointed branch manager for the company at Toronto and H. Rawson Lumby, branch manager at Vancouver.

In commenting on the company's intention, after 47 years in Manitoba, to expand into other provinces, Stratton Whitaker, managing director of the company, points out that the present president and vice-president of the company succeeded their fathers who were on the original board of directors, so that in these two families the service has been continuous for 47 years. The other directors, chief inspectors and manager have also served a period varying from 20 to 30 years.

Canadian Quotations--Cont'd.

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	4½	1 Oct. 1958	1 April	96.90	4.70
Alberta	5	1 Jul. 1943	1 July	101.86	4.80
Alberta	6	1 Apr. 1936	1 April	105.49	4.85
British Col.	4½	1 Oct. 1953	1 April	97.89	4.65
British Col.	5	15 Jan. 1948	15 July	103.49	4.70
British Col.	6	15 Aug. 1941	15 Aug.	110.24	4.75
Manitoba	4	1 Jul 1947	1 July	92.57	4.65
Manitoba	5	2 Jun. 1959	2 June	103.88	4.75
Manitoba	5	15 Jun. 1943	15 June	102.34	4.75
New Bruns.	4½	1 Jun 1948	1 June	100.00	4.50
New Bruns.	4¾	15 Jun 1936	15 June	102.17	4.55
New Bruns.	6	1 Jan. 1936	1 July	106.19	4.60
Nova Scotia	4½	15 Nov. 1948	15 May	100.00	4.50
Nova Scotia	5	1 May 1943	1 May	104.25	4.55
Nova Scotia	6	1 Nov. 1936	1 May	107.00	4.65
Ontario	4¾	1 Sep. 1944	1 March	100.00	4.50
Ontario	5	15 Oct. 1948	15 April	105.00	4.58
Ontario	6	2 May 1936	2 May	106.61	4.63
P.E.I.	4	1 Apr 1939	1 April	95.82	4.60
P.E.I.	4½	1 Oct. 1944	1 April	98.47	4.65
Quebec	4½	1 Jun. 1946	1 June	100.00	4.50
Quebec	5	1 Mar. 1964	1 March	107.65	4.55
Saskatchewan	4½	1 Oct. 1944	1 April	98.02	4.70
Saskatchewan	5	1 Oct. 1950	1 April	102.55	4.80
Saskatchewan	6	1 Feb. 1936	1 Aug.	105.05	4.85
Cities					
Montreal	5	1 Sep. 1968	1 March	107.60	4.55
Toronto	4½	1 Sep. 1954	1 March	100.00	4.50
Vancouver	4	1 Aug. 1946	1 Aug.	93.40	4.60
Winnipeg	5	1 Mar. 1944	1 March	102.89	4.70
Windsor	5	1 Dec. 1937	1 June	100.29	4.95
Edmonton	5½	1 May 1945	1 May	105.11	5.00
Calgary	5	1 Jan. 1943	1 July	100.45	4.95
Halifax	5	1 Jul. 1951	1 July	103.30	4.75
Saint John	5	15 Dec. 1950	15 June	103.20	4.75
Regina	4½	1 Jul. 1950	1 July	94.41	4.95
Victoria	5	21 Jul. 1945	21 July	103.13	4.70

Foreign Exchange

	New York Funds High (Discount)	New York Funds Low	Last Year High (Premium)	Last Year Low
March 4	Par	*1-64	15-32	7-16
March 5	1-128	1-64	31-64	29-64
March 6	Par	1-64	15-32	25-64
March 7	Par	1-64	29-64	13-32
March 9	Par	1-64	13-32	3-8
March 10	Par	1-64	27-64	3-8

*Premium.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
March 4	4.85 9-16	3.91 5-8	6.23 5-8
March 5	4.85 19-32	3.91 5-8	5.23 11-16
March 6	4.85 9-16	3.91 1-2	5.23 5-8
March 7	4.85 9-16	3.91 1-2	5.23 3-4
March 9	4.85 5-8	3.91 7-16	5.23 11-16
March 10	4.85 5-8	3.91 3-8	6.23 3-4

FOREIGN EXCHANGE

Par		Feb. 24	Mar. 3	Mar. 10
5.26	Italian	5.23¼	5.22¾	5.23¼
23.80	German	23.77½	23.75½	23.81½
13.90	Belgian	13.92½	13.92½	13.92½
49.80	Japanese	49.45	49.40	49.35

Winnipeg Stock Exchange

March 2

	Bid	Ask		Bid	Ask
Beaver Fire	..	120	Home Investment	..	65
Beaver Lumber c.	..	19	Monarch Life	29	30
Do., pref.	90	..	North. Can. Mtg.	..	25
Can.-Amer. Tr. shs.	..	690	Northern Trust	..	40
Can. Fire Ins.	80	85	Traders Bldg.	..	90
Can. Indemnity	125	..	Un. Gr. Growers	14¼	..
Crescent Creamery	90	..	West. Breweries	2½	2¾
Gt. West Life	476	..			

Mining Stock Quotations

Week Ending March 9

Par Val.	Range 1931 High	Range 1931 Lo	Company	Close May 2 (or last)	High for week	Low for week	Close Mar. 9
1	.23	.10	Abana	.14½	.17	.18½	.14
1	.02¼	.01	Aconda	.02	.02	.02	.02
None	.50	.32	Aladdin	.33	....	....	....
None	.40	.12	Aldermac	.12	.40	.26	.40
1	.05	.01¼	Algonquin	.08¼	.08¼	.08	.08¼
1	.02	.01	Amity C.	.02	.02	.02	.02
None	.38	.30	Amulet	.37	.38	.37	.38
1	.01½	.01	Apex	.01	.01	.01	.01
1	.03	.01½	Area	.02½	.03	.02½	.03
1	.00¾	.00½	Argo. Cons.	.00¾	....	....	....
1	.04	.01¾	Arno	.03¾	.04	.03	.04
1	*.03	.00½	Astoria	.00¾	....	....	....
1	.02	.00½	Atlas	.01	.01½	.01	.01
1	.02¾	.01¼	Baldwin	.01¾	.02¾	.02	.02
1	.17¾	.08	Barry Holl.	.15½	.17½	.15½	.15½
None	1.45	1.00	Base Metals	1.30	1.35	1.30	1.35
None	.08¼	.00¾	Bathurst	.02	.02	.01¼	.01¼
5	1.75	1.75	B'Wana	1.75	....	....	....
1	.32	.12	Bedford	.15	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.08½	.03½	Bidgood	.07¼	.07¼	.06½	.07
1	.50	.39	Big Missouri	.43	.47	.40	.46
1	.08½	.02	Bobjo	.08	.08½	.07½	.08¼
None	.00½	.00½	Boischatel	.00½	.00½	.00½	.00½
1	.08	.02½	Brett Trethewey	.05	.05	.05	.05
1	.03	.03	Brit. Canadian	.03	....	....	....
None	.07	.03¾	Brownlee	.05	.06	.04¼	.05
1	.02	.00¾	Buckingham	.01½	.01¼	.01	.01
1	.08½	.03	Bunker Hill	.01½	.03¼	.03	.03½
None	.03	.03	Cal. Flin Flon	.03	....	....	....
1	.02	.02	Cambro Kirk.	.02	....	....	....
None	.05	.04	Canam Metals	.04	.05	.04	.04
1	.06½	.01½	Can. Kirk.	.06	.06	.04	.05
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.15	.12	Canusa	.12	.14	.14	.14
1	.00½	.00½	Capital R.	.00½	.00½	.00½	.00½
1	.26½	.15	Castle Tre.	.18	.26½	.18	.26½
1	.13	.03	Cen. Manitoba	.08¼	.08½	.08½	.08½
1	.05¾	.02¾	Cen. Patricia	.05¼	.05¾	.04½	.04¾
	.01½	.01½	Champion R.	.01½	....	....	....
1	*.07	.01½	Chaput H.	.04½	....	....	....
None	.30	.02	Chib. Pros.	.27	.29¼	.27	.27
None	.08	.04	Clericy	.04½	.04½	.04	.04
5	10.50	4.00	Coast Copper	9.50	9.50	9.00	9.00
1	.08	.02	Cob. Contact	.02¼	.02¾	.02¼	.02½
1	.01	.00¾	Col. Kirk.	.01	.01	.01	.01
1	.23	.05	Columario	.18	.23	.17	.22
5	.65	.50	Coniagas	.65	....	....	....
5	.62	.30	Coniaurum	.50	.49	.30	.30
25	188.25	133.00	Cons. Smelter	177.50	188.25	180.00	185.00
1	.02	.00½	Corona	.01	.01	.01	.01
1	.02	.00¼	Crown Res.	.01¼	.01¼	.01	.01
None	.13	.03	Dom. Explor.	.10	.10	.08½	.08½
None	11.40	9.00	Dom. Mines	10.55	11.25	10.50	11.15
1	.01	.00½	Dom. Kirk.	.00½	....	....	....
1	.00¾	.00¼	Don. Rouyn	.00½	....	....	....
1	.01	.00½	Dunkin	.01	....	....	....
1	.02	.00½	Duprat	.01	.01½	.01½	.01½
1	.78	.20	Eldorado	.65½	.78	.67	.78
1	*.01	.00½	Everett	.00½	....	....	....
None	1.66	1.38	Falconbridge	1.60	1.60	1.50	1.55
1	.08½	.02¾	Federal	.05	.04½	.04½	.04½
None	.01½	.00½	Flintoba	.01½	.01½	.00¾	.00¾
None	.22½	.15	Gem Lake	.20	.19	.18	.19
None	.03	.03	Gilbec	.03	....	....	....
1	.06	.02½	Goldale	.04¾	.06	.04¾	.06
10	.25	.15	Goldfield	.18	....	....	....
1	.01¼	.00½	Gold Hill	.01	.00¾	.00½	.00¾
1	.06	.02¼	Goldfish	.05	.05	.04½	.04½
1	.03	.00¾	Graham	.01½	.01½	.01	.01
None	1.85	1.40	Granada	1.78	1.75	1.65	1.65
1	*.01	.00¼	Grover Daley	.00¼	....	....	....
1	.07	.06	Grozelle	.06¼	....	....	....
1	.08	.01	Harker	.02	.01¼	.01	.01⅛
1	*.18	.10½	Hayden	.10½	....	....	....
1	.01	.00½	Hilltop	.00½	.01	.00¾	.00¾
5	8.70	6.00	Hollinger	7.95	8.10	7.80	8.05
1	.38	.25¼	Howey Gold	.30	.33	.30	.30
None	5.75	4.10	Hudson Bay	5.30	5.40	5.00	5.40
None	.35	.35	Huronian	.35	.35	.35	.35
None	20.00	13.87	Int. Nickel	18.50	19.50	17.75	18.50
1	.08	.01¼	Jackson M.	.01¾	.02½	.01¾	.01¾
1	.34	.25	Keeley	.27	.34	.28	.34
1	.02½	.01	Keora M.	.02	.02¼	.01½	.02
1	.01¼	.01	Kirk. Hunt	.01¼	.01	.01	.01
1	.80	.55	Kirk. Lake	.61	.66	.57	.64
1	.03	.01¼	Kirk. Prem.	.02	.02	.01¼	.01¼
20c.	.02½	.01	Koot. Flor.	.02	.02	.01¾	.01⅜
1	.02	.00¾	La Rose	.01¼	.02	.01¼	.02
1	26.90	23.50	Lake Shore	25.60	26.60	25.00	25.75
1	.02	.01	Laval	.01	.01	.01	.01
1	.02¼	.01½	Lebel Oro	.02	.02	.02	.02
1	*.01	.00¼	Lorraine C.	.00½	....	....	....
1	.36¼	.10	Macassa	.12½	.36¼	.15	.36
1	.12	.02	Malartic	.08	.09	.07½	.07½
None	.15	.06	Mandy	.11	.11½	.11	.11
None	.06	.02	Man. Basin	.04½	.04¼	.02½	.03¼
None	*.30	.12	McDougall	.15	....	....	....
	.23	.15¼	McLeod	.16¼	.23	.15¼	.22¼
1	.47	.30	McKinley	.47	....	....	....
5	24.00	20.50	McIntyre	22.00	22.00	21.00	21.75
1	.29	.29	McMillan	.29	....	....	....
1	*.30	.04	McVittie	.04	....	....	....
5	2.64	1.46	Mining Corp.	2.20	2.64	2.20	2.55
1	*.01¼	.00½	Mint Ore	.00½	....	....	....
1	.06½	.01	Moffatt Hall	.03½	.06½	.03	.06
1	.03½	.02½	Moneta	.03	.03	.03	.03
1	.44½	.20	Moss	.36	.44½	.35	.43
1	.06	.01	Murphy	.05¼	.06	.05¼	.05½
	.40	.36	Nevada	.40	.40	.36	.40
1	.08½	.04½	Newbec	.05½	.06	.04¼	.05
1	.08	.02	Night Hawk	.02½	.03	.03	.03
5	1.84	1.15	Nipissing	1.50	1.84	1.46	1.84
None	18.60	14.00	Noranda	17.70	18.00	17.00	17.50
1	.41	.30	Nor. Canada	.32	.32	.32	.32
None	.02½	.01	Old Colony	.02	.02	.01½	.02
1	.00¾	.00½	Ophir	.00¾	.00½	.00½	.00½
1	.10¾	.05	Oriole	.07¼	.08	.06¾	.07¼
1	.16	.07	Osisko	.09	.10	.07	.07
1	.04¾	.01½	Pawnee Kirk.	.03¼	.03⅛	.03	.03¼
None	1.45	.70	Pend. Ore	1.05	1.15	1.00	1.10
1	.04¾	.02½	Pete Cobalt	.03	.03	.02½	.03
1	.01¼	.00¼	Picard	.00¾	.00½	.00½	.00½
1	.12	.07	Pioneer	.10	.12	.11	.11
1	.02¼	.00½	Porc. Crown	.01½	.01½	.01	.01
1	.01	.00½	Potter Doal	.00¾	.01	.00¼	.01
1	.77	.65	Prem. Gold	.74	.75	.71	.73
1	.02½	.01	Preston E. Dome	.02½	.01	.01	.01
1	.25	.14	Quemont	.15	.25	.15	.17
1	.01¼	.00½	Ribago	.01½	.01	.01	.01
1	.28	.24	Rich. Rock	.28	.28	.28	.28
1	.15	.03½	Ritchie	.13½	.14¼	.10	.10¼
1	.04	.02	R. Montbray	.02	.02½	.02½	.02½
1	*.08	.01	Salmo Mal	.01¼	....	....	....
None	.18½	.10¾	San Antonio	.15½	.16½	.15	.16½
1	.20	.18	Seven Troughs	.20	....	....	....
1	1.25	.75	Sherritt G.	1.15	1.20	1.11	1.15
1	.54	.36	Siscoe	.44	.52	.43	.51½
1	.07	.93½	So. Keora	.06	.07	.05	.06½
None	.05	.02½	Stadacona	.04¼	.04½	.03	.03
1	.20	.03½	St. Anthony	.10½	.15	.12	.15
	*.25	.11	Stewart Abate	.11	....	....	....
None	.80	.51	Sud. Basin	.75	.75	.66	.66
1	.03	.01	Sud. Contact	.02½	....	....	....
1	.08¼	.00¼	Sudbury M.	.03	.03¼	.02	.02
None	.04¾	.01	Sudbury N.	.03	....	....	....
1	.72	.48	Sylvanite	.57	.63	.56	.63
1	.07½	.04	Tashota	.05	.06¼	.06½	.06½
1	7.35	6.15	Teck Hughes	6.95	7.05	6.80	7.00
1	.10½	.04	Telluride	.09	.10	.08½	.08½
1	.01½	.01½	Temiskaming	.02	.01⅛	.01⅛	.01⅛

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 2 (or last)	High for week	Low for week	Close Mar. 9
1	.05¼	.02¼	Thom. Cad'c.	.04¼	....	....	....
1	.02¼	.00¼	Tough Oakes	.01	....	....	....
1	.63	.20	Towagmac	.60	.58	.55	.55
None	2.65	1.00	Treadwell	2.25	2.25	2.20	2.25
None	2.85	2.40	Tri-Metals	2.75	2.80	2.70	2.77
	.09½	.04½	United Kirk.	.05	.05½	.05	.05
	.03	.02	Vacuum Gas	.02	.02¼	.02¼	.02¼
None	.62	.40	Ventures	.38	.58	.52	.58
1	.07	.01½	Vickers	.02	.07	.04	.04
1	1.22	.99	Vipond	1.05	1.10	1.05	1.05
None	2.00	1.60	Waite Ack.	1.70	1.65	1.60	1.65
1	*.03	.01	West D. Lake	.01½	....	....	....
	.01	.01	West Tree	.01	....	....	....
1	.27	.19	White Lake	.22	.21	.19	.19
1	.04½	.03	Wiltsey	.03	.04	.03	.04
None	.01½	.00¼	Windfall R.	.01¼	.01	.01	.01
None	.10	.06	Wood Kirk.	.07½	.07½	.06	.07
None	2.38	1.85	Wright-Har.	2.16	2.18	1.98	2.03
			WESTERN OIL STOCKS				
1	.30	.16	Acme	.25	.30	.25	.25
1	*2.10	2.00	Admiral	2.00	....	....	....
None	.50	.50	Advance	.50	....	....	....
1	.35	.21½	Alta. Pac.	.25	.24	.21½	.22
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.10	Associated	.12½	.13	.11¼	.11¼
1	1.89	1.40	Ajax	1.65	1.69	1.58	1.58
None	.12	.06	Baltac	.08	.09	.06	.06¼
1	.07	.05	Black Dia.	.05	....	....	....
1	.33½	.24	Brit. Dom.	.26	.25	.24	.25
1	.32	.16	Calmont	.17	.20	.16	.16
None	.82	.56	Calgary & Ed.	.65	.65	.59	.59
1	.47	.17	Comm. Pete	.25	.24	.17	.18
None	*.25	.10	Cypress	.12	....	....	....
None	.60	.41	Dalhousie	.43	.46	.41	.43
None	.07	.05	Devenish	.05	.06	.06	.06
None	.12	.06¾	Dome Oil	.08	.08	.06¼	.08
None	.69	.43	E. Crest	.47½	.50	.43	.43
1	.03½	.02	Fabyan Pete	.02½	.02	.02	.02
None	.50	.40	Foothills	.50	.50	.48	.48
None	.18¼	.08¼	Freehold	.12	.11¾	.08¼	.09½
1	.02	.02	Great West	.02	.02	.02	.02
None	.17	.10	Hargal	.10½	.12	.10	.10
None	.10	.06½	Herron Pete	.06½	....	....	....
None	.07½	.05	High Sarcee	.06	.06	.05½	.05½
None	2.00	.95	Home	1.17	1.35	1.00	1.05
None	.22	.13	Homestead	.17	.16½	.13	.13
1	.08¼	.03¾	Ill. Alta.	.04½	.04¼	.03¾	.03¾
None	.70	.39	Lowery	.39	....	....	....
1	.05	.02½	Madison	.03	.03	.02½	.02½
1	.85	.60	Mayland	.60	.65	.60	.60
None	.11	.06	McD. S. Ex.	.07	.07	.06	.06
1	.29	.13	McD. S. M.	.20	.18	.13	.13
1	.72½	.40	McLeod	.48	.43	.40	.40½
None	.39	.20	Mercury	.23	.23	.20	.20½
None	.20	.11	Merland	.14	.14	.13	.13
1	.18	.10	Mid West	.12	.11	.10	.11
None	.38	.24	Mill City Pete	.26	.26¼	.25	.25
1	.49	.29	Model	.37½	.40	.29	.31
1	.18	.10	Monalta	.14	.13	.10	.10
1	.31	.07	Moose M.	.08	....	....	....
1	.04	.02	New Federal	.04	.03	.03	.03
None	.56	.26	Nordon	.47	.47	.35	.37
None	.08	.02¼	Oil Select	.06½	.07	.06	.06¼
None	.28	.12	Okalta	.16½	.16	.12	.12
	27.00	26.00	Do., Pref.	27.00	....	....	....
None	.10	.05	Olga Gas & Oil	.08	.09½	.08	.09½
1	.37½	.21	Petrol	.28½	.27	.24	.27
	.23	.13	Penn. Pete	....	.23	.14	.22½
None	.25	.12	Ranchmen's	.19	.19	.17	.17
1	.05	.02½	Regent	.03¼	.04	.03½	.04
None	.13	.05	Richfield	.10	.10½	.10	.10
None	17.75	13.90	Royalite	15.75	15.50	13.90	13.90
1	*.46	.20	Sarnia Oil	.20	....	....	....
1	*.50	.15	Sioux City	.15	....	....	....
1	.06	.04½	Signal Hill	.05	.05	.04¾	.04¾
1	.60	.38	Spooner	.48	.41	.38	.38
None	.27	.17	So. West Pete.	.26	.20	.17	.18
None	.19	.10	Sterling Pac.	.12½	.12	.10	.10
	*.20	.05	Turner Basin	.20	....	....	....
1	.16	.14	Turner Valley	.14	....	....	....
None	.31	.22	United	.24	.25½	.22	.22
None	*.83	.19	Vanalta	.19	....	....	....
1	.15½	.10½	Vulcan	.10½	.11	.11	.11
Non	.05	.01	Wainwell	.02¼	.03¼	.01¼	.02¼
1	.25	.18	Waite Valley	.21	.21	.20	20
	.62	.50	Wellington	.50	....	....	....

VANCOUVER STOCK EXCHANGE
(Transactions Week to March 4)

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 2 (or last)	High for week	Low for week	Close Mar. 9
25c.	.01	.00¼	Bayview	.00¼	....	....	....
25c.	.03¼	.01	Beaver	.02¼	.03¼	.03	.03¼
25c.	.02½	.02	Bluebird	.02½	....	....	....
25c.	.01	.00¼	Cork Province	.01	....	....	....
1	.20	.15	Cotton Belt	.18	....	....	....
1	.04	.02	Dunwell	.02	....	....	....
1	.10	.10	Duthie	.10	....	....	....
1	.90	.75	George Copper	.75	....	....	....
50c.	.05	.03	Geo. Enterprise	.05	.03	.03	.03
1	.05	.01¼	Georgia	.03	.05	.03	.03
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	.01	....	....	....
1	.45	.31	Golconda	.45	.45	.40	.44
50c.	.07½	.03	Grandview	.06½	.06¼	.06	.06
None	27.50	27.50	Howe Sound	27.50	....	....	....
1	.17½	.14	Intern. Coal	.14	....	....	....
1	.01¼	.01	Independence	.01	....	....	....
1	.01¼	.01	Indian Mines	.01	....	....	....
1	.43	.40	Jack Waite	.43	.40	.40	.40
25c.	.00¾	.00¼	L. & L.	.00¼	....	....	....
1	.12	.12	Los Ang. Van.	.12	....	....	....
25c.	.00½	.00¼	Lakeview	.00½	....	....	....
10c.	.03½	.01½	Lucky Jim	.02	....	....	....
25c.	.01⅛	.00⅛	Kootenay King	.01	.00⅛	.00⅛	.00⅛
2.50	.14	.05	Marmot Gold	....	....	....	....
25c.	.00¾	.00¼	Mohawk	.00½	.00¼	.00¼	.00¼
1	.17	.14	Montana Mines	.17	.16	.14	.14
1	.05	.03	Morton Woosley	.03½	.03	.03	.03
50c.	.03¼	.02	National Silver	.02¼	.03	.02¼	.03
50c.	.09½	.04½	Noble Five	.09	.08¼	.08	.08
50c	.07	.05	Oregon Cop.	.06	.07	.05½	.07
1	1.75	1.23	Pioneer Gold	1.63	1.60	1.55	1.55
1	.16	.03	Planet	.03½	....	....	....
50c.	.08½	.07	Porter Idaho	.08	.08	.07	.07
None	.02	.00¼	Premier Border	.01½	.02	.01¼	.01⅛
None	.49	.20	Reeves McD.	.40	.40	.35	.39
1	.30½	.12	Reno Gold	.18	.19	.18	.18
1	.03	.02	Rufus Argenta	.03	....	....	....
1	.06	.04	Ruth Hope	.06	.06	.06	.06
1	.35	.06	Silverado	....	....	....	....
25c.	....	....	Silvercrest	.03	....	....	....
50c.	.05	.01½	Snowflake	.03½	.03¼	.03	.03¼
1	.45	.35	Sunloch	.45	....	....	....
50c.	.01¼	.01¼	Topley Rich.	.01½	.01⅛	.01½	.01⅛
20c.	.01	.01	Wellington	.01	....	....	....
1	.05	.05	Whitewater	.05	....	....	....
None	.03¼	.01	Woodbine	.01½	.01⅛	.01⅛	.01⅛

*Quotations for 1930. No sales recorded in 1931 to date.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$12.50	6.75	Premier	12c.	16.43
Dome Mines	$1	9.02	Royalite	50c.	....
Hollinger	65c.+5c.	8.69	Spooner Oils	6c.	....
Inter. Nickel	60c.	3.56	Sylvanite	$2	3.17
Lake Shore	$1.20+30	5.82	Teck Hughes	60c.	8.57
McIntyre	$1	4.59	United Oils	5c.	....
Model Oils	12c.	....	Wright-Har.	10c.	4.85
Nipissing	80c.	16.80			

Can Corporation Executive Earn Million in Salary? Chas. Schwab Says "Yes"

By F. S. C.

When Charles M. Schwab took over the practically bankrupt Bethlehem Steel Corporation for the second time (he had bought control once and sold out to a group who wrecked it) he selected the executives from out in the plant. Fifteen men were chosen, from among the mill workers, as his associates in running Bethlehem Steel. Every one of these men was a success, justifying Schwab's opinion that "If you want anything done well in life don't engage a man of great reputation to do it. Get a man who has a reputation to make; he will give you his very best individual, undivided effort."

One of the fifteen was a $75 a month mill hand. This was Eugene Grace, who later became president. Grace became the highest salaried man in this enormous corporation. In no single year has he ever drawn more than $12,000 salary, not a high salary for corporation executive holding down a position of such magnitude. But Grace, along with the other fifteen went on a bonus system; he was to be paid as the corporation prospered. Grace and the other fourteen, along with Schwab made Bethlehem prosper. The war years really put the company on its feet. In 1918, Grace made $1,386,193. In the post-war period he has averaged over $800,000. The $1,000 a month salary hardly pays the legal fees involved in making up his income tax return on his real income from Bethlehem. Several of the other men have averaged over $100,000 a year—one over $200,000.

Nothing Like It Here

Few such corporation incomes as these exist in Canada. There is probably not more than one $100,000 salary in Canada. But many of our corporation executives average much more than this. Of course, those who own or control big companies make their money from profits or dividends on their investments. This is not the same as salary or bonus. There are in Canada bonus arrangements, although not as substantial as those that have made Grace and the other mill hands multi-millionaires as a result of their own amazing ability to create success for their corporations and tangible equity values for their stockholders. There are stock option arrangements that have worked well—others that have not worked well. When Frank P. Jones went to Canada Cement he was given a reputed salary of $50,000 a year and an option on several thousand shares of stock at $5 a share. When Canada Cement sold out recently the stock was bought in at $250 a share. Jones' salary of $50,000 was the smallest part of his profit.

Wolvin's $100,000 a Year

When Roy Wolvin was president of Besco he was reputed to have been drawing a salary of $100,000 a year with special allowances of $250,000 which may have been one way of spending a lot of money without having too much exact information on record as to what happened to it. But Besco did not prosper and Wolvin did not hesitate to slash his own salary when it became necessary to effect big economies. Probably in the closing days of his connection with Besco Wolvin was drawing only a most modest salary and, considering his reputed losses of over $2,000,000 on Besco second preferred, it may be that the former president of this industry lost more money by his connection with the merger than he ever received from it.

What is Executive Worth?

What any corporation executive is worth is a question that will probably continue to be debated, without any narrowing of extreme viewpoints, for many years to come. The usual assumption among business men is that a corporation executive may name his own salary so long as workers, public and stockholders are all getting a square deal, are prospering and not being gouged to pay high salaries and bonuses. But apparently there are still many people who feel that there isn't a man anywhere who is worth a million dollars a year. A group of Bethlehem stockholders are trying to get enough proxies to end the bonus system in force in that company. A real battle is expected at the annual meeting on April 14. In the meantime Mr. Schwab has issued a statement defending the system. His comments, as always are racy and illuminating. He says:

"Opinions may differ as to how much any one man is worth to his employer, and there has been considerable public discussion of the question whether any one man can be worth as much as $1,000,000 a year. I have devoted my life to industry, during the course of which I have occupied, among other positions, that of president of Carnegie Steel Company and also, subsequently, that of president of United States Steel Corporation, and I unhesitatingly say that the right man may well be worth $1,000,000 a year and more.

"There were several years when, as president of Carnegie Steel Company, I received more than that amount at the instance of Mr. Carnegie, who personally owned the controlling interest in that company. The fact that he was willing to pay that much to me and large amounts to others is sufficient proof of the fact that he thought we were worth that much to him. I would like to emphasize the fact that these payments were made to me over thirty years ago, when $1,000,000 was relatively a vastly greater sum than it is today.

"I personally have fixed the percentages of the payments under the system to the principal executives of the corporation since it was inaugurated. I assume full responsibility for these payments and I am quite prepared to support them in principle and in detail. The directors of the corporation share with me the belief that our bonus system has been one of the principal factors in the success of the corporation.

Theories on Payment

"There are many theories as to the proper basis for compensating employes of a large business organization. Some favor a straight salary. Others favor a system which will make the total compensation depend on the results achieved by the individual. I have always been a believer in the incentive basis of compensation—the principle of payment for results. This principle was established long ago in the steel industry. Moreover, I have always believed that the principal compensation of executives should be in the form of a participation in profits rather than in the form of fixed salaries.

"It will be noted that the amounts paid in different years have varied widely. In years of poor earnings the amounts have been relatively low and in the very good year of 1929 the amounts were relatively high. It will also be noted that the bonus payments to Mr. Grace, the president of your corporation, during the thirteen years ended Dec. 31, 1930, averaged $814,993 per cent; and that, with one exception (an officer who retired in 1920), the average annual bonus payments during such period to each of the other officers and heads of departments have been less than $200,000 a year.

Must Stabilize Percentage

"The percentages for individuals have remained comparatively stable, because stability is fundamental to the plan. If the rates were to be revised downward because the earnings were exceptionally large in any one year, as for example in 1929, the purpose of the plan would be defeated, because the incentive to greater effort would be greatly diminished, if not destroyed. If an individual is promised a given percentage of the profits, and then, when the profits grow (and the purpose of the plan is thus realized), he is told that his share is to be materially reduced, he inevitably concludes that he is not sharing in the profits and that in substance he is receiving only a fixed salary.

"It is a rare thing now for the real owners of a large business to manage its activities as was customary in previous generations. The size of the leading successful corporations today makes it almost impossible for any individual to own even a controlling interest in any of them. It has, therefore, become necessary to entrust the management of practically all the large enterprises of this country to individuals who, in most instances, have a relatively small financial interest in the business. The conduct of business is no longer by capital and labor. It is by capital, management and labor.

"One of the greatest incentives for the development of any business is a sense of proprietorship. Under the new conditions, therefore, it has become necessary to find a substitute for the incentive which the sense of ownership formerly provided.

"To supply this sense of ownership many companies have adopted managerial profit-sharing plans. In some cases they take the form of cash payments based upon earnings, as in the Bethlehem plan. In other cases they consist of stock allotments which are paid for in whole or in part out of a fund created by the corporation and based upon its net earnings."

Whittall Can Dividend Passed

Whittall Can Co. directors have passed the common dividend of 37½ cents due on March 2, 1931. The action taken was stated to be due to depressed commodity prices.

IRB

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They have participated in the greatest percentage-wise rally that has occurred since April of 1930. They have, in a group of seven stocks, been able to take profits of from 15.1 per cent to 53.8 per cent.
They have been able to do this in a few weeks, sometimes only in a few days.
They were advised to take their profits recently when the market was hovering around its peak.
The market since has declined substantially and our clients are eagerly awaiting our word for the next buying point.
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Money loaned on First Mortgages, including building loans.
Applications invited.
A. M. SMART, President.
T. H. MAIN, Manager.

THE STEEL COMPANY OF CANADA, LIMITED

Consolidated Balance Sheet, December 31st, 1930

ASSETS

COST OF WORKS owned and operated by the Company		$39,224,873.53	
INVESTMENTS IN AND ADVANCES TO Coal and Ore Mining Companies; and holdings of Company's own Bonds, including those acquired for Bond Sinking Fund		3,195,112.48	$42,419,986.01
CURRENT ASSETS—			
Cash on hand and in Banks		$ 535,973.83	
Secured Call Loans		100,000.00	
*Victory Bonds and Approved Securities		5,278,624.15	
Bills Receivable		75,674.91	
Accounts Receivable		2,321,350.14	
Inventories of Raw Materials, Supplies and Products, less Reserve		6,978,053.77	15,209,676.90
SECURITIES SET ASIDE FOR SPECIAL PURPOSES, (Contra)—			
Benefit Plan Fund		$ 420,605.73	
Pension Plan Fund		798,009.99	1,218,615.72
DEFERRED CHARGES—			
Insurance and other Expenses paid in advance			58,529.35
			$58,901,808.33

*$52,000.00 Dominion of Canada Victory Loan Bonds are lodged with Royal Trust Company under the terms of Quebec Workmen's Compensation Act.

LIABILITIES

CAPITAL STOCK—			
Authorized—			
400,000—7% Cumulative Preference Shares of $25.00 each			
600,000—Ordinary Shares of no par value			
Issued—			
259,852—7% Cumulative Preference Shares of $25.00 each		$ 6,496,300.00	
460,000—Ordinary Shares of no par value		11,500,000.00	$17,996,300.00
FUNDED DEBT—			
6% First Mortgage and Collateral Trust Bonds, due July 1st, 1940, Authorized and Issued		$10,000,000.00	
Less Held in Treasury and by Sinking Fund Trustee		1,649,995.73	
		8,350,004.27	
Less redeemed through Sinking Fund		3,596,424.57	4,753,579.70
CURRENT LIABILITIES—			
Accounts Payable, including provision for Income Tax, 1930		$ 1,118,745.23	
Unclaimed Dividends		8,954.25	
Dividends payable February 1st, 1931—			
Preference	$113,685.25		
Ordinary	201,250.00	314,935.25	1,442,634.73
FUNDS APPROPRIATED, (Contra)—			
Benefit Plan Reserve		$ 420,605.73	
Pension Plan Reserve		798,009.99	1,218,615.72
RESERVES—			
Operating Reserves—			
Furnace Relining and Rebuilding, and other Operating Reserves		$ 1,605,579.52	
Accidents to Employees		148,482.99	
Contingent Reserve		824,648.01	2,578,710.52
Plant Reserves—			
Depreciation Account		$10,520,920.06	
Bond Sinking Fund		3,863,929.59	14,384,849.65
Appropriated Surplus—			
For Betterments and Replacements		$ 1,829,674.06	
For Fire Insurance Reserve		200,000.00	2,029,674.06
SURPLUS—			
Balance as per Profit and Loss Account			14,502,444.00
			$58,901,808.33

Veirfied as per our report of this date, Toronto, Ont., February 25th, 1931
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Approved on behalf of the Board,
R. H. McMASTER } Directors
H. H. CHAMP }

Consolidated Statement, Profit and Loss Account

For the Year Ending December 31st, 1930

MANUFACTURING PROFITS for the Year ended December 31st, 1930, after deducting charges for Repairs, Maintenance, and providing for Income Tax 1930, but before providing for Depreciation and Bond Interest		$ 3,219,009.48
INTEREST AND INCOME from Securities and Investments		358,459.36
		3,577,468.84
LESS RESERVES—		
Bond Sinking Fund	337,765.06	
Depreciation	1,204,063.20	1,541,828.26
		2,035,640.58
LESS INTEREST ON BONDS		294,358.18
NET PROFITS		1,741,282.40
LESS DIVIDENDS Paid and Reserved—		
Preference Shares	$ 454,741.00	
Ordinary Shares	805,000.00	1,259,741.00
Surplus for the Year		481,541.40
Balance brought forward December 31st, 1929		14,020,902.60
Balance Profit and Loss Account December 31st, 1930		$14,502,444.00

CAN. LOCOMOTIVE DOUBLED EARNINGS IN DEPRESSED YEAR

Extra Work Orders Helped to Make Up for Poor Locomotive Business

Canadian Locomotive Co. had a sharp increase in earnings from operation and interest on investments from $233,366 in 1929 to $439,567 in 1930. After depreciation and interest and sinking fund on bonds, this is equivalent to $12.30 on 15,000 shares of 7 per cent preferred stock of $100 par value as compared with less than nothing in 1929 and to $3.98 on the common stock.

Because of the low earnings of 1929 the company passed its preferred dividends in 1930 to conserve cash resources. There would therefore be cumulative dividends due on this stock of $105,000. With a surplus for the year of $184,567 the company was able to restore its accumulated surplus to $290,540, an encouraging result in view of the steady decline since 1924 under conditions obtaining.

Locomotive Orders Hoped For

The results obtained were in spite of the fact that locomotive orders were not large. The report to shareholders states that a very considerable amount of extra work orders were handled and that these items contributed 35 per cent of the profits. There have been no locomotive orders in Canada since last June, but directors hope that an improvement in general conditions will warrant the railroads in buying some locomotives this year.

Working capital has also been strengthened during the year from $556,760 to $819,199. Current assets of $1,709,376 are 1.92 times current liabilities of $890,167 whereas a year earlier current assets of $1,399,336 had been 1.66 times current liabilities of $842,576.

Chief changes in current assets were an increase in inventories from $247,395 to $434,135, and of accounts receivable from $49,417 to $176,489. Cash at $13,045 compared with $21,602 at the end of 1929. Bonds valued at $1,085,707, with accrued interest, showed practically no change.

Increases in current liabilities are accounted for by an increase of bank loans secured from $630,000 to $640,000 and of accounts payable from $141,326 to $205,167. Bond interest accrued remained the same in both balance sheets at $45,000, while dividends payable of $26,250 in the 1929 balance sheet disappear from the 1930 balance sheet on account of the passing of preferred dividends.

Net additions during the year to fixed assets brought the total to $4,191,089, excluding $1,000,000 for goodwill. General depreciation reserve was raised during the year from $600,000 to $750,000.

Sinking fund reserve against bonds of $1,500,000 was raised in 1930 from $340,867 to $377,562.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930	1929	1928
	$	$	$
Net earn. from op.	374,209	180,238	x99,030
Add: Int. on invest.	65,358	53,128	54,440
Total net earn.	439,567	233,366	*44,590
Less: Deprec.	150,000	150,000	150,000
Bond interest	90,000	90,000	90,000
Net profit	199,567	*6,634	*284,590
Less appropriations:			
Pref. divds.	......	105,000	105,000
S. F. prov.	15,000	15,000	15,000
Surp. for year	184,567	*126,634	*404,590
Add: Pr. surp.	105,973	232,607	687,197
Bal. car. for.	290,540	105,973	232,607

* Deficit.

WORKING CAPITAL

	1930	1929	1928
Curr. assets	1,709,376	1,399,336	1,778,900
Curr. liabs.	890,167	842,576	1,120,574
Working cap.	819,199	556,760	658,416
Ratio	1.92—1	1.66—1	1.59—1

Add Strength To Directorate Of Acme Gas

The annual meeting of shareholders of Acme Gas & Oil Co. was held in Toronto, March 11, and the directorate of the company strengthened by the election of some well-known men to the board. The new directorate is: A. B. Stodart, a director of the Mining Corp. of Canada; W. R. P. Parker, also a director of Mining Corp.; H. W. Weir, petroleum engineer; E. P. Rowe, formerly president of Acme; J. H. Crang, broker; and C. G. McCullagh, of Milner, Ross & Co., investment bankers.

The company's negotiations for the sale of its Oklahoma City oil well have been broken off and arrangements have been made to market the production from this well through the Empire Pipe Line, a City Service subsidiary.

No further operations are to be carried out in this field owing to the unsettled condition of the oil industry in the United States.

Development is to be concentrated on the company's potential gas properties in Ontario. It is estimated that earnings from the Oklahoma City well will amount to between $15,000 and $20,000 per month despite the proration programme in effect. The Ontario gas operations are expected to yield about $2,000 per month, while the total administration expense is estimated at about $1,500 per month, leaving a net revenue of about $18,000 per month.

No financial statement of the company has been published, but it is understood that arrangements have been concluded to take care of the company's future programme.

SHERWIN-WILLIAMS OMITS 5 CENT BONUS

From Our Own Correspondent

MONTREAL.—In declaring the regular quarterly dividend on the preferred stock and the usual 40 cents a share on the common stock of Sherwin-Williams Paint Co. of Canada, directors omitted payment of the bonus of 5 cents a share on the common which the company has been paying each quarter since 1929. The common stock is now on a dividend basis of $1.60 a share as compared with a distribution of $1.80 a share in the last fiscal year.

The current rate, however, is equal to a payment of $8 a share on the company's old stock. The present no par common represents a five for one split, which was undertaken in 1929. Previous to the split a disbursement of 6 per cent was made on the old $100 par value stock; the new stock was placed on a $1.60 dividend basis with a quarterly bonus of 5 cents a share.

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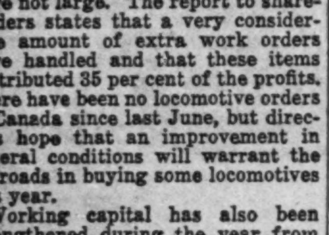

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HYDRO-SECURITIES INCOME RECORDS FURTHER GROWTH

Common Dividend Reduced to $1.40 Basis as Against $2

From Our Own Correspondent

MONTREAL. — Total income of Hydro-Electric Securities Corp. in 1930 showed an increase of $480,000 over 1929 amounting to $7,497,750. This figure includes ordinary income of $4,272,876 as opposed to $2,895,714 in 1929, and extraordinary income of $3,224,874 as compared with $4,121,457 in the preceding year.

Deduction of administration expenses and remuneration to officers and directors left a net profit of $7,282,991. After payment of preferred dividends there remained a sum equal to $4.15 a share on the 1,476,393 common shares outstanding at the end of the year. This compares with $6.39 a share on 921,530 shares outstanding at the end of 1929.

Common Dividend Reduced

The preferred shares participate to the extent of 10 per cent in all profits distributed as dividends on the common over and above $1 a share a year. During the year the sum of $2 a share was paid on the common; the preferred shareholders therefore received $144,993 in supplementary dividends or over 7 cents a share, in addition to the regular $5 disbursement.

The dividend rate on the common stock has been reduced from an annual rate of $2 a share to $1.40 a share through declaration of the last quarterly payment of 35 cents as compared with the previous rate of 50 cents a share. The preferred shares therefore will participate to a lesser extent during the current year.

Following is a comparison of income accounts for the past two years:

	1930	1929
	$	$
Ordinary income:		
Divds. and int.	2,599,420	1,663,569
Dividends (stock)	1,673,456	1,232,145
	4,272,876	2,895,714
Extraordinary income:		
Syndicate part.	75,212	......
Coupon bonds funded	......	54,956
Underwriting	365	......
Sale of invest.	3,149,297	4,066,503
Total income	7,497,750	7,017,172
Less: Admin. and exp.	71,459	103,967
Remuner. of officers and directors, 1929.	143,300	19,362
Net profit	7,282,991	6,893,843
Less: Preferred divds.	1,144,993	1,000,000
Common divds.	2,859,078	852,129
Surplus	3,278,920	6,041,714
Add: Prev. surplus	6,063,652	1,021,838
Balance forward	9,342,472	6,063,552

The balance sheet shows an increase in total assets from $46,382,837 in 1929 to $66,170,674 at the end of 1930. In assets, chief interest lies in the company's investments. At the end of last year these were carried out at cost at $54,148,100 as compared with $43,482,797 at the end of 1929. It is pointed out, however, that at December 31, 1930, investments had a market value of $46,959,718, a decrease from cost of $7,188,382. At the end of the preceding year costs of investments was less than market value. Since the end of the year market values of investments have increased $11,000,000.

Other assets include cash at $277,915, a decrease of $564,000. Accounts receivable comprise a loan of $965,908. Balance of subscription price to 521,236 common shares amounts to $10,262,720. This bears interest at not less than 6 per cent. Accounts receivable in 1929 totalled $1,008,468.

In the report, activity during the tion in respect of securities purchased totals $2,637,342. Capital structure reflects the issuance of 554,863 common shares during the year and preferred is unchanged at $20,000,000. Surplus now amounts to $9,342,472.

In the report, activity during the year is explained in detail. Electric Shareholdings Corp. repurchased 54,500 shares of its preferred stock at prices substantially below par, thus reducing to 195,500 the number outstanding at the end of the year. The number of shares issued at the end of 1930 was 1,533,323.

On the basis of market prices at December 31, 1930, Electric Shareholdings Corp. had total net assets of $36,907,247. The principal investment of the company, representing more than half its assets, was in the common stock of the North American Co.

Other important investments of Electric Shareholdings Corp. are in American Gas & Electric Co.; Commonwealth Edison Co., of Chicago; Consolidated Gas, Electric Light & Power Co., of Baltimore; Consolidated Gas of New York; Duke Power Co.; Pacific Gas and Electric Co. All these holdings are in common stock. Hydro-Electric Securities Corp. owns more than 500,000 shares of Electric Shareholdings Corp. common, of an issued number of 1,250,000 shares.

Reference was made to United States Electric Power Corp., which was formed in 1929 and controls Standard Power and Light Corp, controlling Standard Gas and Electric Co. Hydro-Electric Securities Corp. participated in the formation of United States Electric Power Corp.

During 1930, Hydro-Electric Securities Corp. holdings in United States Electric Power Corp. remained unchanged at 1,733,800 common and "A" shares, forming part of 8,580,720 shares outstanding at the end of 1930, and at 72,300 preferred shares out of 120,000 shares outstanding at December 31, 1930. A dividend of $6 a share is paid on the preferred. The investment of Hydro-Electric Securities Corp. in this company at the end of last year had a valuation of $16,000,000.

Increase in Investments

As regards the company's investment portfolio it is pointed out that though at the end of the year there was shown a depreciation of over $7,000,000 from original cost, since December 31, 1930, the securities had appreciated over $11,000,000 in market value and the depreciation referred to had been changed to an appreciation of over $4,000,000.

J. R. Barber Buys Seat on Toronto Exchange

J. R. Barber, who has just purchased a seat on the Toronto Stock Exchange formerly owned by W. A. Mackenzie & Co., will open a brokerage office in the near future. He has already been elected a member of the Toronto Stock Exchange.

Mr. Barber, who is a son of the late John L. Barber, of Georgetown, will have other associates. Announcement of arrangements made will come later.

Listed on Montreal Curb

MONTREAL. — Common stock of Foreign Power Securities Corp. to the extent of 125,000 shares of no par value have been listed on the Montreal Curb Market. The stock was recently withdrawn from trading on the Montreal Stock Exchange.

1930 Business Failures Create No New Record

Totals Are Well Under Previous Depression Years; Agricultural West is Hard Hit While Maritimes Show Decreased Losses; Traders Suffer Most

Casualties in Canadian business during 1930, serious as they were, do not approach in number or volume the failures which occurred in either 1922 or 1923. In all, 2,741 firms failed during 1930 with liabilities of $57,191,493, according to R. G. Dun & Co. This is an increase of 18.7 per cent in number and over 28 per cent in liabilities as compared with 1929 figures. Compared with the United States, the Canadian record is favorable. Failures south of the border set a new high record during the past year.

Dun's statistics on failures classify business in two main classes, manufacturing and traders. Separate figures are given for brokers and agents. The latter class figured largely in the roll of failures of 1930 with 234 failures as compared with 140 in 1929 and total liabilities of $14,100,746 as against $7,037,962 in 1929. While failures among traders, which covers merchants and retailers, increased in 1930 as shown in the table below the average liability per failure at $1,160 was the same as in 1929.

CANADIAN FAILURES BY BRANCHES OF BUSINESS

	Number		Liabilities	
	1930	1929	1930	1929
Manufacturers—				
Iron and Foundries	8	7	$ 514,731	$ 104,362
Machinery, etc.	27	26	1,754,991	993,650
Woollens, etc.	3	5	99,187	224,492
Cotton and Lace	2	2	59,200	206,414
Lumber, etc.	111	98	5,711,336	3,794,628
Clothing and Millinery	124	128	2,172,946	2,042,500
Hats and Gloves	32	34	417,048	887,493
Chemicals and Drugs	13	8	141,475	267,100
Paints and Oils	..	2	....	38,163
Printing, etc.	16	25	177,045	146,289
Milling and Baking	35	37	4,334,370	385,803
Leather and Shoes	38	25	906,881	781,774
Liquors and Tobacco	11	12	724,814	876,000
Glass, etc.	11	14	173,974	635,901
All Other	188	201	4,072,920	8,582,845
Total Manufacturing	619	624	$21,249,918	$19,967,414
Traders—				
General Stores	250	183	3,871,344	1,853,725
Groceries and Meats	371	376	2,269,492	2,537,094
Hotels and Restaurants	167	107	1,595,464	1,147,014
Liquors and Tobacco	21	23	68,743	151,569
Clothing and Furnishings	293	213	3,217,499	1,989,407
Dry Goods and Carpets	169	150	2,329,543	3,173,000
Shoes and Rubbers	68	57	779,540	739,406
Furniture and Crockery	37	26	437,295	407,914
Hardware and Stoves	47	43	452,706	497,703
Chemicals and Drugs	46	41	385,863	311,122
Paints and Oils	1	2	500	15,550
Jewelry and Clocks	46	28	347,752	160,791
Books and Papers	11	15	113,457	129,721
Hats and Furs	27	27	655,203	804,670
All Other	334	255	5,317,428	3,516,517
Total Trading	1,888	1,546	$21,840,829	$17,435,263
Agents and Brokers	234	140	14,100,746	7,037,962
Total Commercial	2,741	2,310	$57,191,493	$44,440,639

Maritimes Improve

Classified according to geographical distribution, the results for the year show the comparative prosperity of the maritimes against the serious position of the west. Nova Scotia, New Brunswick and Prince Edward Island were the only provinces to complete the year without additional business failures. Dun's figures show 58 failures in Nova Scotia against 76 in 1929 while New Brunswick had 36 failures against 50 in 1929. Prince Edward Island had only one failure as in the previous year. Liabilities in both Nova Scotia and New Brunswick were lower.

In the West, on the other hand, the number of failures increased, largely among merchants dependent upon the purchasing power of the farmer. Mortality increased 92 per cent in Alberta and 90 per cent in Saskatchewan while Manitoba failures increased 43.5 per cent and British Columbia figures are 51 per cent in excess of those of 1929. In British Columbia however the chief increase in liabilities is shown by manufacturing establishments.

Quebec's failures show an increase of 4.8 per cent in number but total liabilities are down from the 1929 total of $25,309,087 to $23,685,182. Chief reduction in liabilities was in manufacturing which is down by $4,694,372 to $8,247,083 while traders' liabilities have increased some $29,000 to $9,176,512. Other commercial failures practically doubled the liabilities of the previous year at $6,261,587.

Ontario failures increased by 15 per cent to number 668 but liabilities total $15,834,271, an increase of some 41 per cent. Manufacturing liabilities in Ontario were almost twice as great in 1930 as in 1929 while trading liabilities increased 24 per cent and other commercial failures showed some reduction in liabilities. Bradstreet's classification of failures in 1930 and 1929, by provinces differs somewhat from the classification by R. G. Dun & Co. quoted above and carried in detail below.

Bradstreet's Define Failure

Bradstreet's definition of a business failure is that it must involve some loss to creditors of individuals, firms or corporations engaged in ordinary commercial operations. Under this classification, failures of professional men, such as physicians, lawyers and actors, as well as of stock-brokers and real estate dealers, have no place. Most or all of these may be(in fact generally are, dissociated from the recognized commercial life of the country and are not included in Bradstreet's failure data.

Failures to succeed without loss to creditors are, of course, not embraced in Bradstreet's returns. On the other hand, it should be clearly borne in mind that these statistics do include suspensions of banks and other strictly financial institutions, even if these suspensions prove only temporary. For these and other reasons, comparisons of the failure reports prepared by Bradstreet's with those issued by others, cannot properly be made. Bradstreet's figures are as follows:

BRADSTREET'S BUSINESS FAILURES, CANADA AND NEWFOUNDLAND, FOR 1930 AND 1929, WITH ASSETS AND LIABILITIES

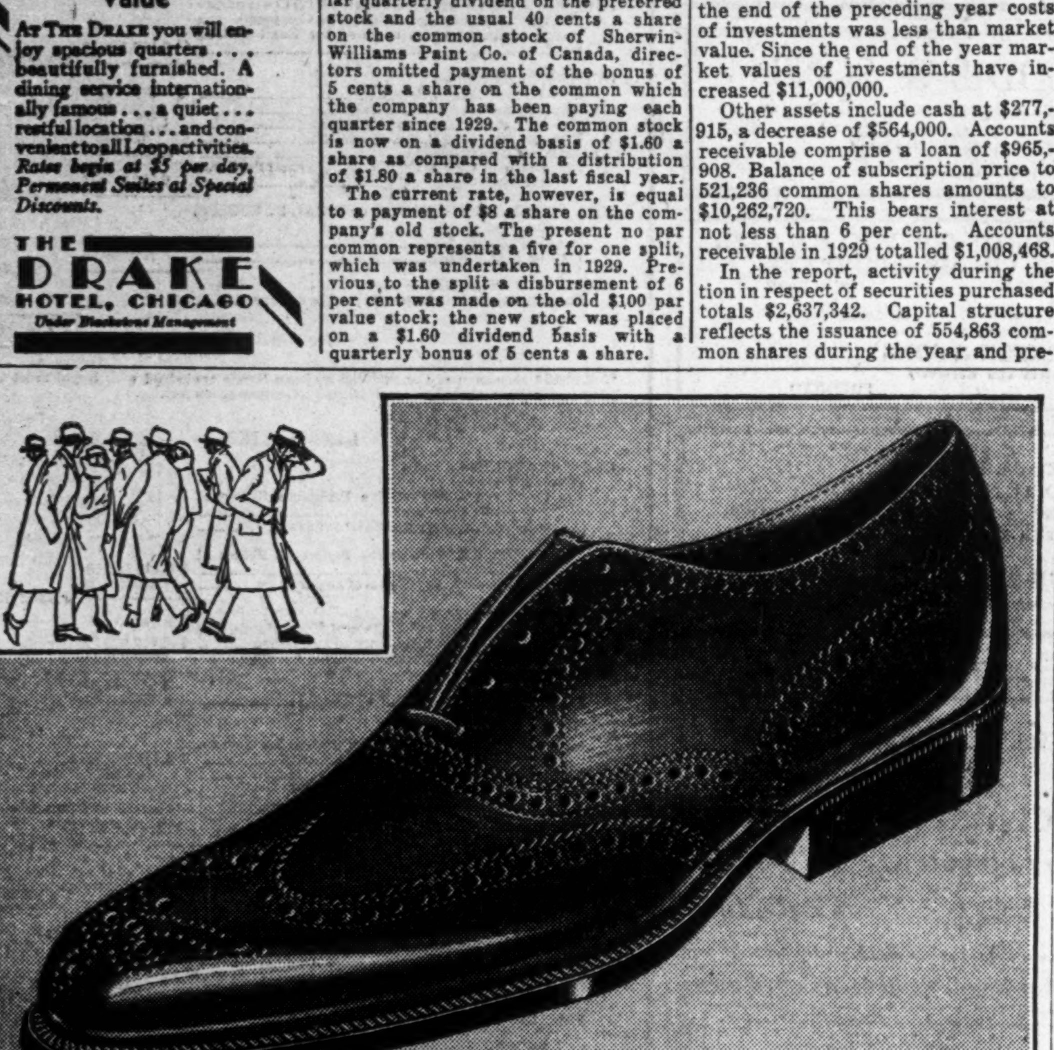
	No. of Failures		Assets		Liabilities	
Canada	1930	1929	1930	1929	1930	1929
Ont.	715	577	$7,151,091	$4,274,986	$15,798,547	$10,870,722
Que.	960	951	6,451,709	4,163,844	17,174,503	14,671,968
N. B.	31	48	211,141	251,121	372,412	481,480
N. S.	58	74	222,392	357,927	645,545	756,628
P. E. I.	..	1	....	2,000	....	6,043
Man.	224	184	1,086,677	858,182	2,748,311	2,223,284
Alta.	113	93	1,258,111	759,296	1,539,338	1,150,934
Sask.	201	101	984,017	662,820	1,873,990	1,203,677
B. C.	166	62	2,089,198	197,408	5,576,799	626,164
Yukon	..	..	....	....	....	....
Total, Canada	2,468	2,091	19,454,386	11,527,584	45,729,445	31,990,900
Newfoundland	11	10	87,500	19,100	294,500	71,700
Total, U.S.A.	24,209	19,703	988,389,346	351,114,356	1,485,591,679	628,047,146

Dun's classification of failures according to provinces shows substantially the same result as does that of Bradstreet. Inclusion of agents and brokers in the tabulation is made and this has formed a considerable item during recent years. In addition to provincial distribution during 1930, the total number of failures with total assets and total liabilities is shown for each year back to 1915. In addition to the failures shown by classes there are one or two bank failures whose figures are included in the total for the year.

R. G. DUN'S RECORD OF FAILURES, 1930

	TOTAL FAILURES*		MANUFACTURING		TRADING	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
Ontario	668	$15,834,271	134	$8,179,513	447	$4,618,660
Quebec	1,169	23,685,182	337	8,247,083	723	9,176,512
British Columbia	187	6,343,399	38	3,778,374	130	1,104,665
Nova Scotia	58	814 497	7	148,556	47	486,934
Newfoundland	36	901,933	4	15,331	29	869,102
Manitoba	218	3,968 081	27	351,994	177	2,248,574
New Brunswick	36	507,488	8	103,740	25	385,465
Prince Edward Island	1	19,318	..	....	1	19,318
Alberta	140	1,702,989	20	238,570	105	756,655
Saskatchewan	228	3,414,335	14	186,757	204	2,174,944
1930	2,741	$57,191,493	619	$21,249,918	1,888	$21,840,829
1929	2,310	$44,440,639	624	$19,967,419	1,546	$17,435,263
1928	2,120	53,420,199	506	17,032,983	1,469	24,540,931
1927	2,182	34,461,595	502	15,347,401	1,544	16,566,799
1926	2,196	37,082,882	527	16,465,754	1,548	17,320,905
1925	2,371	45,767,825	563	24,046,514	1,693	19,514,049
1924	2,474	64,530,975	625	36,542,658	1,720	21,324,089
1923	3,247	65,810,382	792	31,791,332	2,319	31,339,763
1922	3,695	78,068,959	857	39,080,791	2,717	33,004,203
1921	2,451	73,299,111	559	33,976,790	1,739	29,886,569
1920	1,078	26,494,301	255	15,871,216	771	7,704,508
1919	755	16,256,259	213	10,234,477	494	4,475,628
1918	873	14,502,477	232	8,248,807	590	5,142,397
1917	1,097	18,241,465	261	7,455,094	777	8,417,239
1916	1,685	25,069,534	368	8,796,646	1,237	12,290,368
1915	1,661	41,162,321	655	13,877,414	1,888	21,696,890

*Includes banking and "other commercial" as well as manufacturing and trading.



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APPRAISALS REPORTS INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

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CANADIAN APPRAISAL
COMPANY LIMITED

MONTREAL TORONTO WINNIPEG

Canada Paper Omits Payment on Preferred

From Our Own Correspondent

MONTREAL.—Dividends on the preferred stock of Canada Paper Co., subsidiary of Howard Smith Paper Mills, Ltd., have been omitted, directors taking no action regarding the payment due March 1. Dividends have been pair regularly since the stock was issued in 1926. There is outstanding $1,250,000 of 7 per cent preferred.

All the common stock of Canada Paper, of which there are 20,000 shares of no par value issued, is owned by Howard Smith Paper Mills. The subsidiary manufactures wrapping, book and writing papers and paper boxes and bags, shipping tags, and similar products.

Canada Paper was acquired by Howard Smith from Canada Power & Paper Corp.,

ANGLO-NORWEGIAN HOLDINGS LIMITED

BOARD OF DIRECTORS:
Major-General GUY P. DAWNAY, C.B., C.M.G., D.S.O., M.V.O., 3, Queen Street, London, W.1 (President).
FRANK B. COMMON, K.C., Royal Bank Building, Montreal (Vice-President).
Rear-Admiral HUMPHREY HUGH SMITH, D.S.O., Crown House, Portchester, England.
HANS BORGE, Tonsberg, Norway. JOHAN GMEINER, Tonsberg, Norway.
ODD NERDRUM, Tonsberg, Norway.

Secretary and Registered Office:
A. H. LANG, Royal Bank Building, Montreal

SECOND ANNUAL REPORT FOR YEAR ENDED 31st DECEMBER, 1930

ASSETS

Current Assets:		
Cash at Banks		$ 42,803.30
Accounts Receivable		286.60
Temporary Advance (with Interest Accrued) to Subsidiary Company—Falkland Whaling Co., Ltd. (since repaid)		257,453.43
		300,543.33
Investments at Cost:		3,090,768.86
Tonsbergs Hvalfaneri A/s: 1,500 Shares of Kr. 1,000 each.		
Anglo-Norse Co., Ltd., 114,642 Shares of £1 each.		
Falkland Whaling Co., Ltd., 150,000 Shares of £1 each.		
G. P. DAWNAY, FRANK B. COMMON, } Directors.		$3,391,312.19

LIABILITIES

Current Liabilities:		
Accounts Payable		$ 9,113.27
Capital Stock:		
7% Cumulative Preferred Shares of $100.00 each:		
Issued: 20,000 Shares	2,000,000.00	
Less: 3,000 Shares Redeemed	300,000.00	
	1,700,000.00	
Common Shares of No Par Value: Issued: 420,000 Shares	1,025,000.00	2,725,000.00
Reserve:		
Brought forward	59,814.50	
Added this Year	200,000.00	259,814.50
Earned Surplus:		
Brought forward	249,537.00	
Less Dividend on Common Stock paid 24th March, 1930	105,000.00	
	144,537.00	
Surplus, Year ended 31st December, 1930	252,847.42	397,384.42
		$3,391,312.19

NOTE: There is a Contingent Liability under Guarantee in respect of advances which may be made to a Subsidiary Company by its Bankers of an amount not exceeding £100,000. At 31st December, 1930, no such advances had been made, but the Bank had given acceptances to the extent of £90,000. The value of the catch made prior to 31st December, 1930, was sufficient to cover these acceptances.

Report of the Auditors to the Shareholders of Anglo-Norwegian Holdings Limited

We have examined the above Balance Sheet with the books and vouchers of the Company for the year ended 31st December, 1930. In accordance with the provisions of the Companies Act, Quebec, we have to report that we have obtained all the information and explanations which we have required, and, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1930, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Montreal, 16th February, 1931.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants, Auditors.

INCOME ACCOUNT
For Year Ended 31st December, 1930

22nd March to 31st December, 1929					22nd March to 31st December, 1929
$ 7,120.00	To General Expenses	$ 11,037.09	By Dividends received	$556,663.06	$439,310.00
5,625.00	" Directors' Fees (Reserve)	7,500.00	" Interest received	4,559.48	10,239.00
300.00	" Corporation Tax	240.00	" Exchange	....	1,499.00
438,003.00	" Balance being Net Income for Year.	542,445.45			
$451,048.00		$561,222.54		$561,222.54	$451,048.00

SURPLUS ACCOUNT

$ 88,716.00	To Cost of Redemption of 2,000 Preferred Shares	$170,598.03	By Net Income for Year ended 31st December, 1930	$542,445.45	$438,003.00
99,750.00	" Interim and Final Dividends on Preferred Shares — $7.00 per Share per annum	119,000.00	" Surplus brought in	249,537.00	....
....	" Dividend of 25 cents per Share on Common Stock paid 24th March, 1930	105,000.00			
249,537.00	" Balance being Surplus carried to Balance Sheet	397,384.42			
$438,003.00		$791,982.45		$791,982.45	$438,003.00

STEEL OF CANADA REVENUE IN YEAR ABOVE DIVIDENDS

Good Results Considering Adverse Operating Conditions

MAINTAIN POSITION

Strong Balance Sheet and Adequate Working Capital Feature Statement

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada's financial statement for 1930 shows a decline in earning power, but the balance sheet is still one of the strongest reported by any Canadian industrial concern.

The past year has been a difficult one in the iron and steel trade with manufacturing operations on a lower scale, and, in turn, revenues affected. Manufacturing profits of the company for the past year amounted to $3,219,009. as against $4,936,067 in the preceding year. Added to this was income from investments amounting to $358,459, making a total income for 1930 of $3,577,468. This compares with $5,335,256 in the preceding year.

Earned $2.80 on Common

After making allowance for heavier charges on account of sinking fund, depreciation, but a smaller bond interest, net profits for the year past totalled $1,741,282, as against $3,538,267 in the preceding year. In view of the Privy Council's decision in respect to the payment of arrears of dividends on the common stock, earnings on the preferred and common shares are adjudged on a different basis for 1930. After taking care of the regular preferred dividend of $1.75 a share, the balance was equivalent to $2.80 a share. If earnings were figured on the same basis as in the past, namely, equal distribution on both stocks after the payment of $1.75 each, earnings for the past year would have been equal to $2.41 a share on the combined preferred and common stock outstanding.

Particulars of the income account figures for the past three years follows:

	1930	1929	1928
	$	$	$
Mfg. profit	3,219,009	4,936,067	4,051,705
Inv. inc.	358,459	399,189	454,776
Total	3,577,468	5,335,256	4,506,482
Sink. fund	337,765	325,828	314,318
Deprec.	1,204,063	1,158,897	1,079,240
Bond int.	294,358	312,264	329,527
Net profit	1,741,282	3,538,267	2,783,397
Pfd. div.	454,741	454,741	519,704
Com. div.	805,000	805,000	920,000
Balance	481,541	2,278,526	1,343,693
*Employees	......	300,000	200,000
Surplus	481,541	1,978,526	1,143,693
Prev. surp.	14,020,902	12,042,376	10,898,684
P. & L. bal.	14,502,444	14,020,902	12,042,376

*Transferred to employees' pension fund and benefit plan reserve.

The sound financial position of the company is clearly shown by an examination of the balance sheet. Current assets at the end of the year were equal to $15,209,676, while current liabilities totalled only $1,442,634, leaving a net working capital of $13,767,042. At the end of 1929, the working capital of the company totalled $13,763,818.

Total assets of Steel of Canada as at December 31, 1930, were $58,901,808, as against $59,480,580 at the end of the previous year. It is noted that property shows an advance in value from $37,438,880 to $39,224,873. Both advances and cash on hand have declined modestly, the former from $4,020,227 to $3,195,112, and the latter from $796,253 to $555,973.

Call loans totalled $100,000, down from $250,000, while bonds and other investments are carried at $5,278,624, or approximately $428,000 less than at the end of the previous year.

Inventories Held Down

The manner in which business has receded in recent months, is evident by the decline in bills and accounts receivable. The former is shown on the 1930 balance sheet at $75,675 and the latter at $2,321,350 which compare with $137,411 and $3,097,477, respectively, at the end of 1929. Inventories have been kept well in hand, having a value of $6,878,053, or roughly the same as shown in the previous report. Special funds have declined about $5,000 to $1,213,615, while prepaid charges remain about the same at $15,529.

During the past year the company retired about $315,000 of its bonds, bringing the funded debt down to $4,753,579. Accounts payable show a sharp decrease from $2,957,872 to $1,118,745. The depreciation reserve has advanced to $10,520,920, up from $9,911,569. Sinking fund reserve has increased, now standing at $3,863,929 as compared with $2,526,164 a year ago. Other reserves have also increased, totalling $2,578,710, a gain of roughly $112,000; the surplus now stands at $14,502,444.

Reviews Year's Operation

Following are the remarks made to shareholders by the president, Ross H. McMaster, in part:

"The operations of your company during the year under review suffered in sympathy with the general industrial decline, which prevailed to an almost universal extent. While sales for the earlier months of the year compared reasonably well with the figures of the previous year, business throughout the latter half fell off steadily. At the close of the year production as related to capacity represented a lower rate than has occurred for some years past. Under such conditions the profits shown will, no doubt, be regarded as quite satisfactory. It should be realized, in this connection, that the results for the year were assisted, in no small measure, by economies effected through the liberal plant expenditures which have been made in recent years.

"No important plant additions were undertaken during the year. The increase in cost of works shown by balance sheet is due to the expenditures on ore and coal dock and other improvements to which reference has been made in previous reports. The item, investments in coal and ore properties, etc., has been reduced by the transfer of accrued depreciation on machinery and plant in order to show such investments at their net value.

"Consideration is still being given to the extension of your facilities for the manufacture of sheets, and this work will be proceeded with as the manufacturing processes now in an experimental stage become more fully standardized.

"With the opening of the Welland Canal this coming summer supplies of ore will be received direct by water at your company's new ore dock, Hamilton Works. The unloading bridges have been used already in connection with the receipts of coal during the past season. The anticipated savings in the cost of handling both ore and coal should be reflected in future profits and in the improved efficiency of plant operation.

"The action entered against the company by two holders of ordinary stock, on behalf of themselves and the ordinary shareholders of the company, denying the right of the preference shares to participate in any increase in dividend above 7 per cent per annum on the old shares until dividends are paid on the ordinary shares equal per share to those theretofore paid on the preference shares from the incorporation of the company, was decided in favor of the plaintiffs by the Judicial Committee of the Privy Council, judgment being delivered on December 18, 1930. This judgment finally settles all disputed questions as to the dividend rights of the two classes of shareholders, and will govern the future action of your directors as to dividends. A copy of the judgment, accompanied by a review of the case, will be mailed to each shareholder on February 27, 1931"

MINING EXPERTS HEAR PREDICTION COPPER TO RISE

Institute Meeting at Ottawa Attended by Many from U. S.

The 32nd annual general meeting of the Canadian Institute of Mining and Metallurgy, held at the Château Laurier, Ottawa, on March 4, 5 and 6, was marked by the attendance and interest shown by prominent mining men from the United States.

One of the most discussed papers read at the sessions was a contribution on "The Future of The Copper Industry," by Arthur Notman, mining engineer and geologist of New York. The optimistic tone of Mr. Notman's outlook for the copper situation was gratifying to his Canadian colleagues, and lead to the belief that, copper again will establish itself as a profitable metal at no great distant date, while the requirements for the metal will mount rapidly.

Robert E. Tally, president-elect of the American Institute of Mining and Metallurgical Engineers, and general manager of the United Verde Copper Co. at Jerome, Arizona, was present and extended felicitations from the American Institute.

American engineers and American machinery and manufacturers have always taken a keen interest in Canadian Institute meetings, as they realize what the expansion that has taken place in Canadian mining in the past decade and what the future of the industry holds for them.

F. W. Gray, of the Dominion Steel and Coal Corp., Sydney, N.S., is the new president of the Institute, succeeding Dr. J. S. DeLury, of the University of Manitoba, who was president last year. The meeting next year will be held in Montreal.

BARRY-HOLLINGER OUTPUT IS HIGHER BUT LOSS SHOWN

Production Up—Ore Reserves Down—Exploration Deepens

H. C. CROW RESIGNS

Dr. E. H. Greene Succeeds as President and General Manager at Annual Meet

At the annual meeting of Barry-Hollinger Gold Mines, held March 4, in Toronto, the annual report was presented, which included for the first time a financial statement. A loss on operation was shown, amounting to $10,459, which was charged to development.

H. C. Crow, president and general manager of the company during the past year, said: "The year just closed was by far the best in the history of the company both as to bullion produced and work accomplished. During the last three years each year has shown a gradual improvement in production and the decided improvement on the lower levels is most gratifying. In the near future the 1,750, 1,875, and 2,000-ft. levels will be opened up and if the same ratio of improvement continues in these horizons there is every reason to anticipate excellent results and larger returns in 1930."

Comparison of production since commencement of operations is as follows:

	Tons Milled	Rec. per ton	Bullion Recovered
1925	8,136	$7.00	$ 56,977
1926	13,680	6.30	86,263
1927	25,714	6.83	175,692
1928	23,000	4.85	111,767
1929	22,343	6.79	151,612
1930	31,725	6.87	218,025
1931 (Jan.)		8.08	21,501
1931 (Feb.)		8.23	19,730

In commenting on development, James Houston, superintendent of the mine, said that during 1930 a two-compartment winze was sunk on the dip of No. 7 vein from the 1,625 ft. level to the 1,700 ft. level. After opening up the 1,750 ft. level for over 400 ft. laterally, work was discontinued. The hoist was then moved up to the 1,375 ft. level and the sinking of the main three-compartment winze, below the 1,625 ft. level, was started on December 1, 1930. It is the intention to continue this winze to the 1,875 ft. level where a crosscut will be driven on the No. 7 vein on both the 1,750 and 1,875 ft. levels. Immediately the ore is opened up on these two levels sinking will be continued to a depth of 2,125 ft. and levels opened up at 2,000 and 2,125 ft. simultaneously.

Ore reserves which were shown at 18,000 tons on November 1, 1929, have been reduced to 10,000 tons as of December 31, 1930. This is explained as being on account of suspension of development operations laterally while depth development was undertaken. Drifting and crosscutting, however, during 1930 was approximately 75 per cent of that in the previous year while raising was in excess of that during 1929 and sinking carried out was less.

Although the tonnage was the greatest treated in the history of the mine and the grade a little higher, there was a loss of 60 cents per ton on operations without write-off.

Following is production costs per ton:

	1930
	$
Development & exploration	1.50
Mining	2.54
Milling	1.95
Taxes and marketing	.02
Gen. and adminis. exp.	1.46
Total operating cost	7.47
Deprec. and write-off	Nil
Total cost per ton	7.47
Recovery per ton	6.87
Loss per ton	.60

Total expenditures amounted to $237,059, while income was made up from ore mined amounting to $225,790 and rents received of $810 or a total revenue of $226,600 leaving a deficit from operations of $10,459.

No provision for depreciation or other write-offs was made in this or in previous periods, although the property has been operating for six years.

The balance sheet as of December 31, 1930, shows current assets of $51,054 including a loan receivable amounting to $20,300 for which no explanation is made. Current liabilities amount to $36,466 leaving a net working capital of $14,588 including $8,897 in supplies. Cash on hand and in bank totals $808, while there is a bank overdraft of $853.

H. C. Crow who has guided the company's affairs in the past as president, resigned at the annual meeting and was succeeded by Dr. E. H. Greene, of Toronto.

Lower Dividend Rate For Wright-Hargreaves

Directors of Wright-Hargreaves Mines met March 5 and decided on a quarterly dividend of 2½ cents per share payable April 1, 1931, to shareholders of record March 14.

An official statement accompanying the dividend notice said that any additional dividends will be in the form of extras and will be paid from time to time in the future as conditions justify.

Dividends, which had been passed since the payment of the quarterly dividend of 2½ cents per share on November 1, 1928, were resumed with a payment on January 2, 1931, of five cents per share. While no fixed dividend policy was announced at that time it was expected that the five cents would be maintained. In establishing the 2½ cent quarterly basis it was explained that the programme of additions to the plant and equipment which includes to some extent the replacement will mean a considerable outlay of capital expenditure, which it is anticipated will favorably reflect in future earnings.

The stock has established a high of $2.38 for the current year, but following the recent dividend an announcement fell off to $1.98 per share, and is currently selling at $2.06 per share.

MORRISON BRASS COVERS DIVIDEND ON SENIOR STOCK

Initial Report Reveals Earnings Well Maintained

From Our Own Correspondent

MONTREAL. — Initial report of the Morrison Brass Corp., covering the 12 months ended December 31, 1930, shows sufficient operating income to cover preferred dividends and income tax, leaving a small balance to be carried forth to profit and loss accounts.

The past year was a difficult one for the company, as a reorganization and systematizing of the operating and sales departments was carried out under adverse general business conditions. Notwithstanding, however, the company was able to report an operating profit for the year, less reserves for depreciation, of $125,709. After taking care of preferred dividends and income tax in 1929, there remained a balance of $10,418.

Details of the profit and loss accounts for 1930 follow:

	1930
*Operating profit	$125,709
Preferred dividend	105,000
Balance	20,709
Income tax (1929)	10,291
Balance	10,418
Previous balance	390,747
P. & L. balance	$401,165

*Less reserves for depreciation.

Financial Status Sound

The balance sheet as at December 31, 1930, shows that the company is in a satisfactory financial position, with the total assets of $2,144,685. Of this amount cash represents $50,619; accounts receivable $226,363; inventories $501,331; prepayments, etc., $94,766; buildings, machinery, etc., $1,271,603; while goodwill is carried at the nominal figure of $1.

On the liability side of the balance sheet, accounts and bills payable totalled $243,519. Preferred shares outstanding totalled 30,000 of the par value of $50 each, making an aggregate of $1,500,000. The surplus of $401,165 is represented by 60,000 no par value common shares.

In covering operations for the past year, J. L. McSweeney, president, says, in part:

"During the year, the engineering and sales departments in Toronto were supplemented. A branch was opened in Montreal which has shown encouraging results. Agencies were also established in Winnipeg, Vancouver and Regina.

"In December, the company entered into an arrangement with Jas. P. Marsh & Company and Sargent Company of Chicago for manufacturing their products and marketing these lines in Canada and Great Britain. Jas. P. Marsh & Co. is one of the largest manufacturers in United States of gauges and instrument panels, heating systems, radiator valves and traps; while Sargent Company occupies an important place in the manufacture of locomotive steam specialties. The production of these additional lines should supplement the company's business substantially.

"During the year, additions to fixed assets amounted to $58,833."

NORTHWEST. MUTUAL REPORTS GOOD YEAR

Thirtieth Annual Report Shows Big Volume of Business

Net premiums of $6,713,853 and an increase in policyholders surplus of $291,370 are shown in the thirtieth annual report of the Northwestern Mutual Fire Association, issued last week. The company now has total admitted assets of $5,010,674 as compared with $4,784,342 a year ago, with net cash surplus of $933,758.

In Canada the company reports total gross premiums written of $1,346,135 as compared with $1,299,474 a year ago. Of this total, $1,239,825 was in fire premiums — a figure almost identical with the corresponding item a year ago—and $106,154 was in automobile premiums, which increased 80 per cent over 1929. Tornado business netted $507 in gross premiums as compared with $195 the previous year. Gross losses on fire business were slightly higher at $547,227 as compared with $533,784 in 1929, while losses on automobile business increased 100 per cent, indicating a little somewhat higher loss ratio than in 1929.

Dividends paid to Canadian policyholders during 1930, amounted to $324,633 as compared with $301,639 the previous year. Total dividends paid to Canadian policyholders since 1920 now amount to over $1,100,000. Total assets in Canada as at the end of 1929, and held solely for the protection of Canadian policyholders, amounted to $122,695.

SELLERS ELECTED TO INSURANCE BOARD

Canadian General Insurance Co. Presents Annual Report

A substantial increase in gross premiums written, offset by a heavy increase in net premiums incurred, is reported by Canadian General Insurance Co. Gross premiums for the year were $832,660 or 18 per cent above the 1929 figure of $707,000. Net losses incurred increased nearly 110 per cent to $293,935. The company writes a wide range of fire and casualty business.

Total assets were increased during 1930 by $50,000 and are now $1,318,554 an dthe premium reserve increased $75,000 and is now approximately $280,000. After providing reserves for all contingencies, including a reserve of $10,000 for further unreported losses the net surplus is now $372,779 with surplus to policyholders of $872,779.

At the company's annual meeting, held at Toronto, H. E. Sellers, president of Federal Grain Company at Winnipeg, was elected to the board of directors to fill the vacancy caused by the death of J. C. Gage, and the following directors were all re-elected: F. R. Begg, E. R. Bremner, W. W. Evans, W. P. Fess, Hon. John Hart, Paul H. Horst, R. G. Ivey, Col. Walter McGregor, N. M. Paterson, Allan Ross, Senator Lorne C. Webster.

Mining Stocks Decline First Week in March

The weighted index number of seventeen mining stocks computed by the Dominion Bureau of Statistics on the base of 1926=100, was 71.6 for the week ending March 5, as compared with 72.7 for the previous week.

Eleven gold stocks fell from 71.0 to 69.7. Gold copper stocks fell from 86.5 to 85.8. Four silver and miscellaneous stocks rose from 36.2 to 36.7.

Quality Engraving—the Essential Safeguard in Monetary Documents

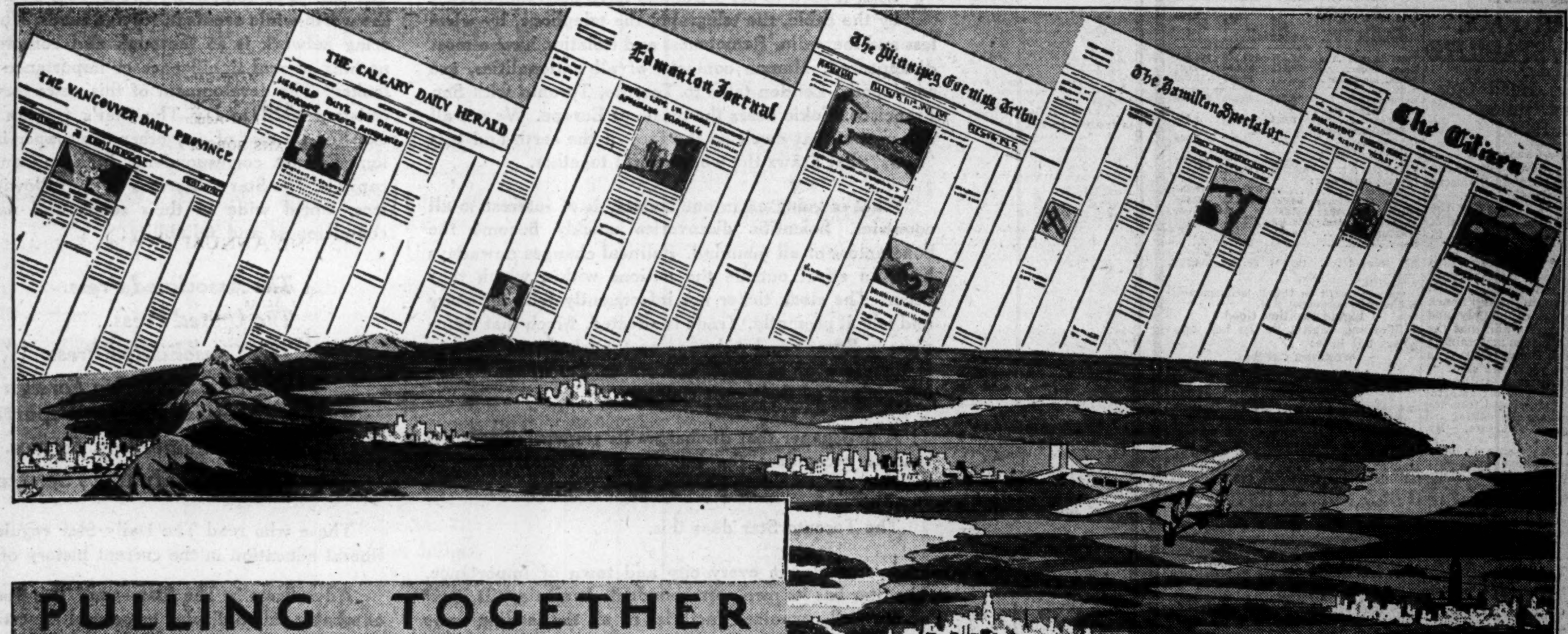
Outer Expression of Inner Worth

It is not difficult to make a bond or stock certificate, of superficially good appearance.

But inherent character, resultant from thorough workmanship of unvarying high quality is the vital essential for the outer expression of inner worth.

Over 100 years of unvarying standards and the finest of engraving craftsmanship, enable us to provide you with monetary documents — protected by quality and expressive of worth.

CANADIAN BANK NOTE
COMPANY OTTAWA LIMITED
Montreal — Branch Sales Offices — Toronto



Concerted effort and goodwill are more urgently needed in Canada today than at any recent point in her history.

The times demand them. A united people will most quickly win through to the next era of prosperity.

Mutual understanding and sympathy, vital forces of progress, are promoted by the constant interchange of facts and ideas. The accepted medium for such interchange is the newspaper. It is through their newspapers that most Canadians know and appreciate each other; and the Canadian newspaper has no more useful task than this one of building and maintaining friendship.

The Southam Newspapers are strategically situated to perform this office of interpretation. They serve six of Canada's most important population centres, spread over a twenty-five hundred mile territory from the Ottawa River to the Pacific.

They are keenly awake to the responsibilities and opportunities of their position.

THE SOUTHAM NEWSPAPERS
VANCOUVER CALGARY EDMONTON WINNIPEG HAMILTON OTTAWA

B.C. INCOME TAX IS DRASTIC MOVE TO GAIN REVENUE

Exempts Only Farmers From 1 p.c. Tax on Total Income

An income tax of 1 per cent on the total income of all persons earning over $12 a week is in prospect for British Columbia. Increased revenue and a rigid economy in expenditures is necessary, according to Hon. J. W. Jones, provincial minister of finance, if the province is to balance its budget and meet its bills. By the new universal income tax it is expected to get an additional revenue of $2,500,000 per year. License fees of banks will be increased 20 per cent.

The new income tax will affect most of the citizens of the province since there are few exemptions. Levied on total income, there will be no allowance for dependents or for other expenses. Exemptions include only those receiving not more than $12 per week and recipients of old age pensions, mothers pensions, war disability pensions and allowances and those whose income is derived from actual farming.

Balance Budget

The balanced budget for the next fiscal year provides for an expenditure of $28,080,030 and revenues of $28,086,696 with an estimated surplus of $8,665. The estimated expenditure closely approaches the estimate for the current year but actual expenditures in the current year are reported to be some $2,000,000 in excess of the estimate.

Mr. Jones stressed the necessity of the province paying its bills as it went along and checking the deficits which have occurred since the war and which have placed the province in a difficult financial position. The provincial debt at November 1, 1930, was stated at $130,274,161 and the net increase was at the rate of more than $1,000,000 a month in the year ending at that date.

More than $3,000,000 had been added to the sinking fund and there had been $250,000 debt redemption. In six years British Columbia has increased its annual expenditures by $6,320,000, or 31.3 per cent. The annual fixed charges on the Pacific Great Eastern Railway are $1,940,739.

The finance minister made the significant remark that last year the Government had no control over 76.7 per cent of its expenditures. The present revenues of the province cannot yield more than $24,750,000, but the province had to pay $22,070,000 in fixed charges, and $6,000,000 for ordinary running expenses. Hence the increased taxation to close up the gap.

GOSSE EXPECTS SMALLER PACK WILL STABILIZE

B.C. Packers Head Comments on Outlook For 1931

From Our Own Correspondent

VANCOUVER—Stabilization can be looked for in the canning industry of British Columbia this year— a small pack being in sight for the 1931 season, according to Richard J. Gosse, managing director of B. C. Packers, Ltd.

While admitting that packers still held stocks of last year's pack in their warehouses, Mr. Gosse declared that with the prospect of a light pack this season the law of supply and demand would function and that the carryover would assist in maintaining and filling orders. Heavy packs run in cycles of four years, he said.

"The present situation in British Columbia has given occasion for unfortunate rumors that have spread from the Coast eastward and are discrediting and debasing our price structure," Mr. Gosse continued.

"Such rumors rise easily in quiet times and are hard to answer, yet when weighed dispassionately in light of the industry's past, must be found to be entirely wanting in substance," he added. "Before the war and in 1921, and during many other years of crisis, the packing industry has heard whispers of ruin, yet salmon canning continues to be one of the basic industries of British Columbia."

"Naturally, without complete information as to 1931 demand, we are retrenching to cut costs of liquidation but we are not closing down or have we any intention of doing so," he declared.

"Already officials of canning companies are considering how and where they may curtail operations and yet provide employment for fishermen and cannery technicians. We are spreading our employment as much as possible, and every effort is being made to keep up the purchasing power and prosperity of our staff—and in this we are establishing a policy we hope every other industry in this province is also maintaining."

Mr. Gosse referred to the newspaper advertising campaign which both his company and the Dominion Government has undertaken, to encourage domestic consumption of canned salmon. He said that the government is spending in co-operation with the canners, $50,000 for this purpose and his own company's campaign, which started on January 1, would involve an outlay of $100,000.

"We are starting a drive for new export business immediately and we hope to stabilize prices at more attractive levels before the end of this month," he said.

B. C. POWER EFFECTS ADDITIONS TO PLANTS

From Our Own Correspondent

MONTREAL. — Through its various subsidiaries, B. C. Power Corp. continues to make numerous improvements and additions to its property.

During the past month two new 34,600-volt oil circuit breakers were installed in the B. C. Electric Railway Co. substation at New Westminster. Additional street lighting equipment was also installed. The addition takes the form of a voltage regulator to serve two new street lighting circuits recently put into the system by the City of New Westminster.

The new Burnaby substation was completed during the month, installations having been made of switchboard panels and other control devices. Power is being received at this substation from the recently completed Ruskin hydro-electric power plant.

The company is now working on two special lighting jobs. One is the installation of a complete light and power system for the new civic airport at Sea Island. A special underground cable is being laid to the site, so that the landing field and the slipways may be left entirely free of overhead wiring. The other job consists of the erection of transformer equipment at the portal of the new C. P. R. tunnel in Vancouver.

Ottawa Plans Few Changes Insurance Act

Few major changes in the Dominion Insurance Act are planned at the coming session of parliament, according to information received by The Financial Post. Several important changes in respect of the valuation of insurance shares and the basis of valuation of bonds held by insurance companies as investments, have been discussed but it is thought that none of these points have been discussed sufficiently to warrant any change for at least another year.

Another important question which exercised life insurance companies considerably a year or two ago, is the limitations now placed on the act in regard to common stock investments. This matter came to a head during the recent bull market and centred particularly around the portfolio of the Sun Life Assurance Co. Just prior to the death of the late Finance Minister, J. A. Robb, it was considered almost a certainty that the present limitations would be made considerably stiffer, but after Mr. Robb's death the matter was dropped. In the meantime much has happened and in the present state of the stock market it is thought unlikely that anything will be done for the time being.

PRESSED METALS DEFICIT REPORTED FOR YEAR'S WORK

Pushes New Lines When Older Goods Move Slowly

Pressed Metals of America for the year ended Dec. 31, 1930, reports a deficit, after all deductions, of $14,348, compared with $114,771, or $1.14 per share for the previous year. Dividends on 110,774 shares of stock required $96,928, but the dollar rate was cut to 50 cents annually last September.

Income before depreciation was $19,387, of which $2,059 was profit on sale of machinery and $624 profit on securities. Depreciation took $26,161, compared with $51,662 in the previous year. Organization expense write-off was the same as usual, $8,024, bringing the deferred charge down $56,170.

Dips Into Surplus

Following is the profit and loss account for the last three years:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $	1928 $
Net earnings	17,066	191,168	202,615
Add: Profit on sale of metal	88	962	1,797
On secs.	624	......	......
On mach.	2,059	......	......
Total income	19,837	192,130	204,412
Less: Deprec.	26,161	51,662	45,027
Res. for taxes .	......	15,230	15,000
Net earnings	*6,324	125,238	144,385
Less: Organ. exp. w/o	8,024	8,024	8,025
Experiment. exp. w/o	......	1,998	7,933
Prem. on pf. stk.	......	445	......
Net profit	*14,348	114,771	127,427
Less appropriations:			
Pref. divs.	......	17,914	22,365
Com. divs.	96,928	96,526	77,458
Surplus for year	*111,276	331	28,604
Add: Prev. surp.	211,090	214,171	184,940
Adjustments ..	†10,529	2,358	627
Less: Adjust. ...	1,746	5,770	......
Bal. forward	108,598	211,090	214,171

*Deficit.
†Includes profit on Detroit land contracts and expense reserve not used.

Liquid Position Good

Working capital in the last two years has been:

WORKING CAPITAL

	1930	1929
Current assets	$449,615	$569,797
Current liabilities	7,871	23,904
Working capital	$441,644	$545,893

The drop in working capital is due principally to the drop in the amount of goods on hand and in process, this item being $27,165, compared with $81,997 a year ago. Unmanufactured metals also are less, at $92,867, compared with $110,343 a year ago.

Included in current assets are "seasoned land contracts" at $72,053, compared with $110,827 a year ago. While cash on hand is down from $26,318 to $21,868, investment in marketable securities is up from $189,115 to $204,388. Receivables are reduced from $26,425 to $17,377. There being no necessity for a reserve for income tax, this item accounts for the drop in current liabilities, the other items under this head being about as usual. Not since 1924 has the company finished a year with a bank loan.

Introduces New Lines

Fixed assets, after depreciation, are shown at $372,327, compared with $363,968 a year ago. The depreciation now is precisely 50 per cent of the book value of fixed assets, including $26,317 in real estate held for sale.

J. W. Leighton, president, explains that the drop in profits was caused by the falling off in sales due to the general business depression and to the additional expense involved in developing and introducing new lines. He continues:

"We are successfully extruding tubes sufficiently long to operate satisfactorily as stock from which automatic screw-machine parts can be made. Extruded rods and bars from which these parts are now made require drilling operations and metal waste not present when tubing is used. This opens large fields in which great quantities of single items are available.

Plumbers Form New Market

"Several tubular articles of our manufacture have been successfully introduced to the plumbing trade, which should increase volume of sales very materially when general business conditions improve."

Prior to the development of new lines, Pressed Metals was dependent largely on the automobile trade for its prosperity, its product being almost entirely a bearing replacing the babbitt metal formerly used.

Annual meeting of the company will be held at Port Huron, Mich., on March 28.

Royal Trust Co. Name Advisory Members

From Our Own Correspondent

MONTREAL. — Sir Frederick Williams-Taylor, vice-president of the Bank of Montreal, a director of the Royal Trust Co. and a member of its executive committee, has been appointed a member and chairman of the London (Eng.) Advisory Board of the company.

Other appointments made by directors of the Royal Trust Co. were Robert P. Kernan and A. Cecil M. Thomson, K.C., of Quebec, to be members of the Quebec Advisory Board. Mr. Kernan is vice-president and general manager of the Donnacona Paper Co., and Mr. Thomson is a member of the legal firm of Pentland, Gravel, Thomson and Hearn.

SOVIET TIMBER PLAN OUTLINED BY BANK

Commerce Letter Reviews Russia's Position in World

Industrial operations in Canada are continuing to expand slowly and employ a fair number of skilled workers who were laid off a few months ago, although there has been somewhat irregular reaction to seasonal influences, according to the monthly letter of the Canadian Bank of Commerce. Some industries, it has been pointed out have been able to hold the gain made at the turn of the year and others have additional orders to execute while a few are now on a declining industrial schedule.

Such improvement as has been noted is for the most part in Eastern Canada while the mild winter so far experienced in the West (it has been a season without parallel in the history of the oldest residents) has proved a blessing to those farmers who were able to purchase but little fuel and heavy clothing, it has adversely affected retail trade and caused a sharp curtailment of operations in the Western coal field where many miners have been employed only from one to three days a week in a season which is normally one of the most active.

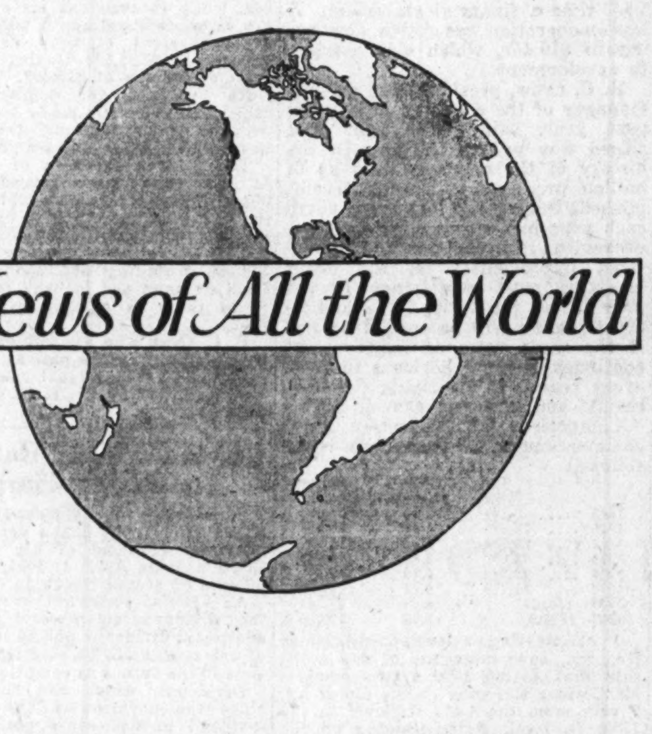
The review deals in some length with the Russian timber programme and points out that whereas before the war Russia was the world's largest exporter of sawn timber, shipping about 3,000,000,000 board feet yearly to other countries, the disorganization caused by the war and subsequent revolutions destroyed almost all of this trade so that the total production in 1921 was less than 1,000,000,000 board feet. Recently production is said to have increased to over 6,000,000,000 feet while lumber export increased fourfold between 1926 and 1930 to about 2,500,000,000 feet.

The Russian timber programme calls for an increase in the output of saw mills of nearly 300 per cent between 1928 and 1933 and it is reported that 4,000,000,000 board feet will be available for export. The U. S. A. has taken steps to ban the import of Russian wood into that country, and it is also pointed out that European countries do not afford a much greater market today than in pre-war days, their average yearly purchases from 1926 to 1929 being about 8,000,000,000 board feet as compared with 7,000,000,000 feet in 1913. While, therefore, it might be reasonably expected that if Russia's plans are successful there would be room left for other exporters, this would be less than before the war.

List Dominion Stores Shares

From Our Own Correspondent

MONTREAL.—There has been listed on the Montreal Curb Market, 277,715 common shares of no par value of Dominion Stores, Ltd., with authority to add a further 6,000 shares on official notice of issuance.


News of All the World

The Star's Foreign News Service

TO-DAY the world is a small place compared with what it used to be. Distances have been annihilated by the cable, the telegraph, the telephone, by wireless and the radio. Remoteness and isolation have almost disappeared. Human contacts, of all nationalities, are continuous. London talks to Toronto, Toronto with San Francisco. Tokio hears the music of Europe. We are all one people that dwell on the face of the earth and it is "news" that draws the whole world together.

What is going on in one country is of interest to all countries. Scientific discoveries quickly become the benefactors of all mankind. Political changes nowadays have an effect outside the nations within which they occur. The stock ticker not infrequently tells the story and tells it promptly. Trade is affected. Much that transpires in Europe and Asia and on the islands of the seas is therefore of as much concern to Canadians as are happenings of their own country.

A newspaper that discharges its responsibility to its readers recognizes the importance of maintaining a reliable and complete Foreign News Service.

The Toronto Star does this.

In Canada, in every city and town of importance, The Star has its own correspondent. It also avails itself of the well organized facilities of all the leading news gathering agencies. Happenings of unusual interest or importance in any part of Canada are, in addition, frequently covered by members of its own staff, sent by motor, aeroplane or railroad. Expense is never permitted to enter into competition with the interests of The Star's readers when it comes to "getting the news." And scores of reporters and special writers keep in active touch with local and suburban fields.

But it is an even greater organization which enables The Star to present, every twenty-four hours, a record of the worth-while events in foreign lands. This news-gathering network is so thorough and comprehensive that nothing of real significance or importance can be overlooked. The development of this news service has been constant until to-day The Star's foreign news is not excelled by that of any other newspaper in the Dominion. Besides correspondents in European and Asiatic capitals, The Star subscribes to the following news services, world wide in their scope and unsurpassed in completeness and reliability:

The Associated Press.
The United Press.
The Consolidated Press.
The New York Sun Foreign Service and Special Feature Department.
International News Service.
Chicago Daily News Service.

Those who read The Daily Star regularly receive a liberal education in the current history of the world.

Advertisers in The Star—and The Star prints more of what is called display or general advertising than any other daily newspaper in the city—also know, from the results they receive, that their announcements are read with interest and confidence. They tap the same reader-interest demand that has won for The Star the largest circulation of any newspaper published in Ontario. It is a powerful sales influence in a territory containing over 1,300,000 people, the wealthiest and most responsive market in the Dominion.

It Pays to Read and to Advertise in

THE TORONTO DAILY STAR

United States Representatives—CHAS. H. EDDY CO.,—New York, Chicago, Boston
Montreal Representative—J. B. RATHBONE, Canada Cement Building

Investment Trusts Need More of British Method

General Management Type Best, Says Writer, But Some Departures From English Precedent to Be Deplored

By VICTOR E. KERRIGAN,
National City Co., Ltd.

The principle underlying the investment trust idea is the principle of insurance, of obtaining security by a wide distribution of risks; and its soundness is not open to question. Indeed, so numerous and self-evident are the advantages offered by "Investment Trust" securities to the management of his own affairs or who has only a limited amount of money to invest, that the hazards and disadvantages which, up to this time, weigh heavily on the opposite side of the scale are frequently overlooked.

The title "Investment Trust," which has come to be commonly used in describing a variety of agencies through which the funds of several persons are assembled for the purchase of a diversified list of securities (thus introducing the law of averages to give each greater protection of principal combined with supposedly greater possibilities for appreciation than any of them could obtain operating alone) lacks the merit of accuracy, since many of these agencies are not instruments of investment and it is questionable whether any of them is in fact, a "trust."

Recent Imports to America

Investment agencies of this character have flourished in Great Britain during the past 40 or 50 years but their appearance in Canada and the United States is of comparatively recent date. As developed in North America they fall generally into four main classifications: trading corporations; fixed trusts; semi-fixed or limited management trusts.

The trading corporations are chiefly concerned in the buying and selling of securities, with the object of capital gains through skilful market operations. They are, in effect, incorporated "pools," and it is stretching the meaning of investment to tenuous lengths to describe as investments the securities which they issue and offer to the public. They may, under favorable conditions be highly effective instruments for speculation; but they are not investments.

Fixed Trusts Eliminate Management

Each of the shares offered to the investing public by the "Fixed Trust" type of agency represents part ownership in a "Unit" consisting of a specified number of shares or other securities of a designated group of companies. The securities thus designated to comprise a "Unit" are "fixed" and are usually not subject to substitution, nor to sale until after the definite occurrence of unmistakably unfavorable action as when, say, a company passes a regular dividend and fails to resume payments after a certain period of time, or when interest payments on a bond are in default. The "Fixed Trusts" guard against dishonesty by eliminating management.

But, since skilful management is essential to the success of all human enterprise, they, in attempting to operate without running the risks of bad management, accept the handicaps of rigidity, are necessarily unprogressive, and wholly dependent upon the hope that a good list of securities determined upon in the first instance to comprise a "Unit" will continue to be good for all time—a hope that unfortunately finds little to sustain it in the records of the past.

Where Liberty is Restricted

Semi-fixed or "Limited Management Trusts" are similar in many respects to fixed trusts, except that management is given some, although incomplete, liberty of action. Agencies of this type accordingly expose the investor to some of the risks always inherent in management, while denying him the benefits that might accrue through the unrestricted management of the trust by skilful men of first-rate integrity.

General Management Trusts range all the way from the ultra-conservative to the most speculative of vehicles; but it is nevertheless, in this general management type of investment agency that the logical expression of the investment trust idea is found. Economic theory has been disposed to regard commercial and financial risks as uninsureable in contrast with the more fortuitous and personal risks of accident, fire, shipwreck, and the rest.

Spreading Out Risk

But this proposition overlooks two things, namely: that risk as an economic magnitude has no meaning out of relation to the person bearing it; and that all practicable insurance takes the form either of division of the big risk or of the merging of a number of small risks.

The chances of fire are no less because an insurance company bears the loss. The chance of depreciation in a block of shares is no less because they are held by an investment company, but even if they result in a net loss, the fluctuations in a mass of shares cause much less misfortune if they are held in common by a large number of persons than if they are held by the same person individually in separate blocks. But unless competent management is assured the whole value of the plan becomes delusive.

Some Things to Know

One of the chief disadvantages of the investment trust plan as it has hitherto been offered to investors in Canada and the United States, is that the investor who purchases securities offered by the general management type of company has been required to repose blind faith in the management. In many cases this faith has been well merited, while in other cases it is possible that more facts and less faith would have been a better protection.

The facts that an investor needs to know before he can properly appraise what he is getting for his money in buying investment trust securities, include the following: management and its cost; the nature of the investment agency or trust, its origin, its purposes, and its policies; the securities comprising its portfolio and the price at which they were obtained; accounting practice in respect of the classification of trading profits or losses as distinct from income received through dividends or interest payments; and the manner in which profits and income are to be distributed.

The cost of management is worth considering; it may sometimes cost too much. So, the investor should seek to know what share he will receive of the earnings on his money. In other words, he should discover exactly the character of the deductions that the sponsors are privileged to make for themselves, either through the exercise of options, through the size of special dividends payable to them, or through special fees, profit on the handling of securities or other similar items.

Formula Computes Life Expectancy

Would you like to know what is your normal expectancy of life?

Then take your age, subtract it from 80; multiply the result by 7; and divide it by 10.

The result will be found to agree with the American Experience table to within three-tenths of a year, for all ages from 15 to 60.

This, of course, applies to men.

Accounting Practices Vary

The policies to be pursued by the investment company merit close attention. The accounting practice of investment trusts on this continent differs radically from that of British companies, and greatly affects the character of their operations. There is much to be said for the British practice.

When security prices rise, income from buying and selling operations or turnover, becomes an important part of the earnings of investment companies here and in the United States. In contrast with this, it is the usual British practice only to regard as "income" the interest and dividends received from securities held in the portfolio. Trading profits go into a reserve account which protects the trust against future depreciation in the value of its investments.

It is only when profits have amounted to a large sum over several years that the benefit is partly distributed to shareholders in the form of a stock dividend. The American practice has little in common with this. Trusts on this continent have as a rule reported income from both sources as current income and have used it for the payment of interest or dividends. During a continuous bull market earnings reported in one year from profits through the sale of shares or other securities could probably be maintained in later years by the same practice.

But during a period of declining security prices the earning power reported in years when markets generally were steadily rising may be found to have disappeared completely. The income received in the form of interest payments or dividends on the shares actually held by the trust constitutes its only true income, and the practice of treating trading profits as income is likely to result in unhappy experiences.

But, above all, the investor should know what securities are held in the investment company's portfolio, and he should also know the prices at which they were acquired. Here, as in many other activities, British practice is a reliable guide; and it is the practice of British companies to supply this information. Experience in England has shown that investment trusts which are closely associated with or controlled by underwriting houses may be influenced by what is good for the underwriting house as well as by what is good for the investor. In the business depression of the 90's, the first severe storm faced by the British investment trusts, many of them went under. In a good many cases it was found that their portfolios included blocks of securities which their associated underwriters had been unable to sell directly to the public, and which they had accordingly "sold" to the investment trust.

Not Unknown in Canada

There is good reason to believe that this unhappy practice has been abandoned in England, but it seems, unfortunately, to have been adopted in some instances in the United States, and there are strong grounds for believing that it is not unknown in Canada.

The only protection against the possibility of such operations, which are most likely to be unfavorable to the investor's interest, is that management should be completely free from bias and that lists of investments together with the prices at which they were acquired, should be made public from time to time.

Insurance Men Must Tell

The desirability of disclosing facts about investment practice has already been recognized here in the case of insurance companies. Under the provision of the Insurance Act, all insurance companies operating in Canada are required to make public complete lists of their investment holdings, showing in addition to a full description of each security held, its par value, the price actually paid for it, and the name of the person or company from which the purchase was made. The logic which requires this information to be made public with respect to insurance companies for the protection of policyholders applies equally to the investment trust type of undertaking.

The authority of the superintendent of insurance might well be extended to cover "Investment Trusts" to ensure their administration in the interest of the investor and to institute the necessary correctives where other interests may improperly have been given priority.

It would seem that sound and ably managed investment trusts have nothing to lose and everything to gain by disclosing full information. But whether the information is disclosed voluntarily or in conformity with a requirement imposed by legislation, it is information essential to the protection of the investor, and until it can be had anyone who buys investment trust securities must rely more heavily on faith than on fact.

GOVERNMENT AID SOUGHT IN WEST FOR BEET GROWERS

Lethbridge Sugar Industry Reported in Critical Condition

From Our Own Correspondent

LETHBRIDGE.—The beet sugar industry in Southern Alberta has reached a critical stage. Production of beets exceeds the factory facilities to grind them into sugar. There is one factory in this territory at Raymond, which has a capacity of 1,000 tons a day with a maximum annual capacity of 12,000 acres of beets. Farmers of the irrigated areas surrounding this city are prepared to supply the Raymond plant and guarantee enough tonnage for a second factory, but that "second factory" is not yet assured.

Canadian Sugar Factories, Ltd., is the Canadian subsidiary of the Utah-Idaho Sugar Company, one of the major beet sugar corporations in the intermountain west. It has 18 factories in Utah, Idaho, Washington, Montana, Alberta and South Dakota, several of these plants being now idle. One of these idle plants could be dismantled and moved to Alberta, but the company is hesitating on account of the uncertain outlook for world sugar. They are not prepared to expand under existing conditions.

Meanwhile, the irrigation farmers, who see in sugar beets their best bet as a cash crop and an essential adjunct to the livestock programme and crop rotation, are seeking relief from the Dominion government. Recently, a delegation, headed by B. R. McMullin, president of the Southern Alberta Cooperative Beet Growers, waited on Premier R. B. Bennett, Hon. Robert Weir and other Ottawa government officials at Ottawa, and while no promise of either a bonus or a tariff increase were given, the growers were encouraged and confidently believe some relief will be given at the approaching parliamentary session.

The growers' association has accepted $5.50 a ton minimum—the minimum price was $7 a ton last year—on the understanding that a second factory would be built to handle the increased tonnage forecast. This proposition has been submitted to company headquarters but no decision has been announced. Negotiations are holding up the annual beet acreage sign-up campaign although in Utah and Idaho growers and the company have agreed on a $6 price with certain provisions as to the price of sugar governing the new crop. Otherwise, $5.50 will be the price.

It is known that both Premier Bennett and Hon. E. B. Ryckman are sympathetic to the sugar beet farmers as encouragement was expressed by the ministers when the growers waited on them during their visits to the west. Representations were made tending to show that the farmer on an average could not raise beets with any hope of a profit under $7 a ton and with the sugar companies everywhere being forced to cut the guaranteed price of beets to the growers, on account of the low sugar prices, the hope is strong that a bonus similar to that offered farmers in Great Britain by the British government will be granted.

Trail Ore Receipts

Following is a statement of ore received at the Trail Smelter for the period February 22nd to 28th, 1931 inclusive:

Name of Mine	Locality	Tons
Bell	Beaverdell	55
Knob Hill	Republic	56
Little Daisy	Silverton	2
Union	Lynch Creek	49
Total		162
Total Company		10,465
Grand Total		10,627

CANADIAN AIRWAYS LIMITED

BOARD OF DIRECTORS
JAMES A. RICHARDSON, *President*
SIR HENRY W. THORNTON, K.B.E., *Vice-President* E. W. BEATTY, K.C., *Vice-President*
S. G. Blaylock, Victor M. Drury, Gordon C. Edwards, Sir Charles B. Gordon, Sir Herbert S. Holt, Kt., C.E. F. I. Ker, Beaudry Leman, C. E. Neill, Lieut.-Col. J. H. Price, Howard P. Robinson, T. A. Russell, Victor N. Spencer., W. J. Blake Wilson.

FIRST ANNUAL REPORT of the Directors— Held at the University Tower, Montreal, Que., on March 9, 1931

To the Shareholders of Canadian Airways Limited:

This being the first Annual General Meeting of the Shareholders, I shall summarize briefly the history of the Company up to the present time. Also, in order that the Shareholders may be more conversant with the Financial status of the Company, I shall make comments on certain items in the Balance Sheet and Profit and Loss Account that are submitted herewith and which have been certified to by the Company's auditors.

HISTORY OF THE COMPANY

Early in the year 1930 an agreement was reached between individuals who held in the aggregate a substantial majority of the shares of the Aviation Corporation of Canada Limited, and all of the shares of Western Canada Airways Limited, to accept in exchange therefor the shares of a new company to be incorporated under the name of Canadian Airways Limited. It was agreed that the bases of valuation of the shares of the existing companies would be their respective Balance Sheets as at December 31, 1929, embodying certain agreed adjustments. Later in the year the shareholders of each company held special meetings, ratified the said agreement, and approved the sale of assets and undertakings to this Company which had obtained a Dominion charter. Shares of this Company were later issued to the selling companies in consideration for the transfer of assets and undertakings. Also, shares were issued to the Canadian National Railways and Canadian Pacific Railway Company for cash consideration.

As a result of the carrying into effect of the agreement referred to, this Company acquired the entire business of the wholly-owned subsidiaries of Aviation Corporation of Canada Limited. i.e.,
International Airways of Canada Limited, Canadian Airways Limited (old),
Interprovincial Airways Limited,
and a controlling interest in the partially-owned subsidiary, Canadian Transcontinental Airways Limited; also, the entire business of the Western Canada Airways Limited.

Thereupon your Company's organization was completed and it is being operated on the following basis:

Eastern Lines—comprising business formerly transacted by wholly-owned subsidiaries of Aviation Corporation of Canada Limited;
Western Lines—comprising business formerly transacted by Western Canada Airways Limited, and Canada Transcontinental Airways Limited.

The Head Office of the Company has been located at the University Tower, Montreal, where the headquarters of the Eastern Lines and Canadian Transcontinental Airways Limited are also established. The headquarters of the Western Lines are in Winnipeg.

The By-laws provided the following organization:

HEAD OFFICE:

President; Vice-President; Vice-President; General Manager—in charge of operations, maintenance, traffic, publicity and stores; Comptroller—in charge of accounts, statistics, budget and purchase control, internal audit; Secretary and Treasurer—in charge of purchasing, corporate books, insurance, credits, collections, finances; Assistant to the President—in charge of special work for the President.

EASTERN LINES	WESTERN LINES
Assistant General Manager	Assistant General Manager
Assistant Comptroller	Assistant Comptroller
Assistant Secretary and Treasurer	Assistant Secretary and Treasurer

Substantial progress has already been made in the several divisions of the business, namely, operations, control, finance and special work. I am anticipating satisfactory results from the absolute functional division of the business, with the various divisions headed by specialists in their respective lines.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Working Capital

The working capital as at December 31, 1930, was $881,112.88. The ratio of Current Assets to Current Liabilities was approximately 9½ to 1. Cash in hand and at banks was $426,790.01, which was an excellent liquid condition considering the relatively low Current Liabilities total, and also the fact that all organization expenses, totaling $49,191.25, and notes payable of the Aviation Corporation, amounting to $283,853.11 have been paid since the merger. This splendid working capital position of the Company is indeed gratifying.

Investment in Affiliated Company

The Company owned, including in transit or process of acquiring, 114,389 shares of the Canadian Transcontinental Airways Limited. These shares stand on the Company's books at an average of $1.42 per share. The net worth of the total outstanding shares of this subsidiary was $212,942.96, including goodwill amounting to $20,508.62, or $192,434.34, excluding goodwill. There being outstanding 134,830 shares, on December 31, 1930, the share value was $1.58 and $1.43, respectively. The shares of this subsidiary are, therefore, valued on the Company's books at slightly less than the equity in the subsidiary's net assets.

Aircraft, Engines and Other Equipment

There were in service on December 31, 1930, fifty-one (51) single motored aéroplanes and one tri-motored aeroplane; also, eighty-seven (87) engines. This group also includes floats, skiis and all other flying and ground equipment. Depreciation and obsolescence have been provided for to date to the extent of approximately 45% of the combined total cost of equipment items in the group. Reservation out of the operating profits for the year 1930 alone amounted to $418,332.21.

The manufacture of planes, engines and other equipment used in the aviation business being still in a more or less experimental state, it is imperative that adequate provision be made in the accounting process for depreciation and obsolescence. Equipment is continuously being rendered effectively obsolete by the introduction into the market of new and improved designs and features, and our equipment values must be maintained on such ultra-conservative bases as will enable us to take advantage of new equipment that is, everything considered, potentially beneficial to the Company, without being forced to take heavy losses on old equipment write-offs.

Land, Buildings and Structures

This group includes initial cost of airport land and later improvements in the amount of $170,317.42. The remainder represents the initial cost of sundry hangars and structures after deductions for depreciation.

Goodwill

This consists of accounts that were among the assets of the constituent companies entering into the merger, less profits realized in the year 1930 applying to the period prior to the effective date of the merger, namely, December 31, 1929, and totaling $41,259.50.

Organization Expenses

These expenses will be charged to Profit and Loss Account during the course of the next two or three years.

Mortgage

This mortgage applies against the Toronto Airport. It is being retired at the rate of $15,000.00 per annum for five years and the balance the sixth year.

Capital Stock and Profit and Loss Account

The book value per share was $24.46 on December 31, 1930. The net operating revenues of the Company, including thirteen months for the Western Lines and twelve months for the Eastern Lines, were $1,817,543.65. The net loss, after all charges, including provision for depreciation, amounting to $418,332.21, was $68,704.92. Considering the sharp decrease in mining operations during the last half of the year particularly, and the depressed condition of business in general, with consequent loss of freight, express and passenger revenue, this loss was not unexpected. The new organization was not functioning until the last month of the year, so none of the economies which are to be expected from mergers, obtained through co-ordination of effort, exchange of ideas and information, et cetera, were actually effected until the year had ended.

Operations for the Year	Eastern Lines (12 Months)	Western Lines (13 Months)	Total
Mileage Flown			
Productive — Mail	558,264	708,544	1,266,808
Productive — Other	113,866	405,934	519,800
Non-productive — Mail	76,184	39,203	115,387
Non-productive — Other	5,885	60,244	66,129
Total — Mail	634,448	747,747	1,382,195
Total — Other	119,751	466,178	585,929
Grand Total	754,199	1,213,925	1,968,124
Hours Flown			
Productive — Mail	5,592	7,321	12,913
Productive — Other	1,288	4,677	5,965
Non-productive — Mail	941	457	1,398
Non-productive — Other	67	682	749
Total — Mail	5,713	7,778	6,491
Total — Other	2,175	5,359	7,534
Grand Total	7,888	13,137	21,025
Mail, Freight and Express (lbs.)			
Mail	126,430	207,483	333,913
Freight and Express — Mail Lines	14,971	307	15,278
Freight and Express — Other Lines	82,151	404,010	486,161
Grand Total	223,552	611,800	835,352
Passengers			
On Mail Lines	299	3,346	3,645
On Other Lines	1,447	3,808	5,255
Grand Total	1,746	7,054	8,800
Mail Efficiency			
Scheduled or Possible Mileage	677,034	764,578	1,441,612
Productive Mileage Flown	558,264	708,544	1,266,808
Lost Mileage	118,770	56,034	174,804
Percentage of Efficiency	82.4%	92.7%	87.9%

Standard Policies and Practices

While standard policies and practices have already been adopted in Eastern and Western Lines in the Finance Division and Accounts-Control Division, the task of determining and adopting standards in the Operations Divisions in East and West will be undertaken at an Operating Conference which will be held here during the remainder of the present week. I feel that substantial and lasting benefits will be derived from these co-ordinating efforts, that the Company's service to its customers will be improved, and that in consequence of this improved service the profitability of the operations will increase.

New Mail Contracts and New Business in General

The very nature of the traffic promotion phase of this business precludes any specific discussion of prospective business until what are now only possibilities become actual facts. Suffice it to say, that an aggressive and progressive policy is being applied to the building and extending of the Company's mail and transportation lines, survey and photographic service, and all other classes of legitimate commercial work in the air.

Conclusion

It does not require a great vision or imagination to find aerial activities in which the Company's capital might be employed — we receive almost daily proposals to enter into operations and to purchase equipment which, if adopted, would effect a precipitous downward revision of the current ratio and possibly result in disaster. But what does call for clear vision, imagination, and sound judgment, is the finding of those classes of work from which the revenue will not only cover all costs, but also provide a reasonable return on invested capital considering the risk involved. So far as I am able to determine, no air transport company has as yet gained this objective. However, you may be assured that the directors and officers of Canadian Airways Limited consider this objective second only in importance to the rendering of high quality service, and will not consider the business efficiently administered until a proper return on invested capital is earned. To this end, I am making every reasonable effort to surround myself with executives who have the requisite training and experience which will contribute to well rounded, sound policies and practices, and which will, consequently, result in an organization that will meet the requirements of future extension of activities.

I feel confident that all of the directors join me in an expression of keen interest in the development of this Company into an even greater factor in Canada's progress than anyone has yet visioned. I trust that the interest of everyone who comes into contact with aviation activities will be expressed by co-operative action whenever an opportunity to help presents itself.

Respectfully submitted, on behalf of the Board, JAMES A. RICHARDSON,
President.

BALANCE SHEET AT DECEMBER 31st, 1930

ASSETS			
Current			
Cash		$ 426,790.01	
Accounts Receivable, less Reserve		368,953.03	
Inventories of Gas, Oil and Stores as certified by responsible Officials of the Company		188,543.39	
			$ 984,286.43
Investment in and Advances to Affiliated Company			
Investment		162,468.47	
Advances		18,916.58	
			176,385.05
Aircraft Engines and Other Equipment		1,632,610.70	
Less Depreciation Reserve		729,227.35	
			903,383.35
Land, Buildings and Structures		264,190.41	
Less Depreciation Reserve		19,058.73	
			245,131.68
Deferred Charges			
Insurance and Taxes, etc.			27,622.47
Goodwill			925,668.40
Organization Expenses			49,191.25
			$3,311,668.63
LIABILITIES			
Current			
Accounts Payable		$ 77,641.73	
Accounts Payable re Affiliated Company's Investment		25,531.82	
			$ 103,173.55
Mortgage			100,000.00
Capital Stock			
Authorized—200,000 Shares of No Par Value.			
Issued—To December 31st, 1930, for Cash and Assets acquired — 127,088 Shares of No Par Value		3,177,200.00	
Less—			
Profit and Loss Account			
Profit for period to December 31st, 1930, before providing for Depreciation Eastern Lines — 12 Months Western Lines — 13 Months	$349,627.29		
Deduct — Provision for Depreciation	418,332.21		
Net Loss		68,704.92	
			3,108,495.08
			$3,311,668.63

Approved on behalf of the Board.
H. W. THORNTON } Directors.
E. W. BEATTY }

To the Shareholders:

We have audited the books of the Head Office and Eastern lines of Canadian Airways Limited for the year ending December 31st, 1930, and we have obtained all the information and explanations we have required. The books of the Western Lines for the thirteen months ending December 31st, 1930, have been audited by Messrs. Rankin, Saul & Thornton, Chartered Accountants, Winnipeg, Auditors of said Western Lines, and the Accounts of the Western Lines, as certified by them, are incorporated in the above Statement. We certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31st, 1930, according to the best of our information and the explanations given to us, and as shown by the books of the Company at Montreal and the certified Balance Sheet of the Western Lines submitted to us.

MONTREAL, February 24th, 1931.
CREAK, CUSHING, HODGSON,
Chartered Accountants, Auditors.

OFFICERS:

President, James A. Richardson; *Vice-Presidents*, Sir Henry W. Thornton, K.B.E. and E. W. Beatty, K.C.; *Assistant to the President*, R. H. Mulock, C.B.E., D.S.O.; *Finance Secretary and Treasurer*, G. C. Drury; Operations, *General Manager*, (Not Yet Appointed); Accounts-control, *Comptroller*, Wilfred C. Sigerson, C.P.A.; *Acting General Manager*, James A. Richardson; *Assistant Secretary and Treasurer*, Eastern Lines, H. M. Semple; Western Lines, J. A. MacDougall; *Assistant General Manager*, Eastern Lines, L. J. Dalton; Western Lines, W. L. Brintnell; *Assistant Comptroller*, Eastern Lines, F. G. Nicoll, C.A.; Western Lines, C. M. Forrest. *Operations Manager*, Eastern Lines, Mail Division—A. F. Ingram; Survey Division—L. J. Dalton; Western Lines, G. A. Thompson.

Now a Mutual Company

The directors announce that by joint action taken today by policyholders and shareholders, in accordance with the provisions of the Company's Special Act—just fifty years after the founding of the Company—the North American Life Assurance Company becomes a purely Mutual organization.

All of the Company's assets, exceeding forty-five million dollars, are now held for the policyholders. The whole of the accumulated surplus, as well as all future surplus earned, belongs exclusively to the holders of participating policies.

The policyholders now own and control the Company—there being no capital stock or shareholders. They will elect their own directors, and such directors will be solely responsible to them.

It is gratifying that Mutualization has been accomplished at a period in the Company's history when its financial position is impregnable—its surplus on 31st December, 1930, amounting to over eight million dollars.

It is equally gratifying that the redemption of the capital has been effected, and Mutualization brought about, without in any way disturbing the surplus already apportioned to participating policyholders. The accumulated surplus earnings from the non-participating section alone have been practically sufficient to redeem the entire capital.

Among the founders and early directors of the Company were such honoured leaders in Canadian life as Alexander Mackenzie, Sir William Meredith, Sir Oliver Mowat and Edward Blake, and the step now taken in Mutualizing the Company marks the fulfillment of their intentions, as expressed in the original charter, granted by the Dominion Government.

Moreover, the carrying out of Mutualization gives effect to the Company's declared principle and belief that the interests of the policyholders are paramount.

Directors:
THOMAS BRADSHAW
CHARLES L. BURTON
FREDERICK S. CORRIGAN
WILLIAM K. GEORGE
HON. GEORGE S. HENRY
ARTHUR C. McMASTER, K.C.
ALFRED J. MITCHELL
GEORGE H. A. MONTGOMERY, K.C.
FRANK A. ROLPH
WILLIAM B. TAYLOR
HON. LOUIS A. TASCHEREAU
CHARLES W. I. WOODLAND
DAVID E. KILGOUR, General Manager

NORTH AMERICAN LIFE ASSURANCE COMPANY

1881 Assurance in force $192,535,106 Solid as the Continent Assets $45,221,899 1931

Toronto, Canada, 5th March, 1931.

Canadian Mining News

PREMIER GOLD COVERS DIVIDEND IN PAST YEAR

Per Share Earnings Down 5½ Cents From 1929 at 24½

PRODUCTION LOWER

Managing Director Says That Commercial Ore, Bottoms Above Fifth Level

Premier Gold Mines Co. for the year ended Dec. 31, 1930, showed net earnings before write-offs of $1,220,498 equivalent to 24½ cents per share as against dividend requirements of 21 cents per share. This compares with $1,557,836 or 31 cents per share earned the previous year.

Following the company's policy of previous years of heavy write-offs, a total of $1,213,666 was written off for 1930 as compared with $1,098,262 the previous year. After this write-off, net profit was $6,832 as compared with $459,574 in 1929.

Production from the Premier Mine in 1930 totalled 256,836 tons as compared with 266,972 tons in 1929. Of the 1930 production, 151,936 tons were treated in the company's mill, while 104,900 tons of raw ore were shipped to the smelters at Tacoma and Granby. Gold production amounted to 90,084 oz., as compared with 98,442 in 1929. The silver production, however, showed a slight increase, being 2,760,787 oz. as compared with 2,429,751 in 1929, whereas the total value of the ore mined amounted to $1,996,748 as compared with $2,404,980 in 1929. In the 11 years of operation, there has been handled 1,869,268 tons from which there was a production of 1,119,096 oz. gold and 29,296,769 oz. silver. Total profits since inception of operations, and before write-offs have amounted to $19,606,761, while dividend disbursements in the same period have amounted to $15,313,890.

Ore Bottoms at Fifth

H. A. Guess, vice-president and managing director of the company, stated in the annual report that development work in the Premier mine evidenced still further the fact that broadly speaking the ore shoot bottoms, as regards commercial values, above the fifth level, even though at its east end ore of commercial grade did persist down to the sixth level to the extent of 12,000 and probably ultimately 20,000 tons. Diamond drilling in 1930 failed to disclose commercial ore beyond that contained in the main ore channel.

The total of estimated broken and unbroken ore down to the sixth level is 369,205 tons, averaging .36 oz. gold and 9.4 oz. silver per ton, having a gross value of $9.55 per ton. This compares with ore reserves of 419,036 in 1929 containing .365 oz. gold and 9.86 oz. silver valued at $11.24 per ton.

The company's balance sheet as at December 31, shows a strong cash position with current assets totalling $2,203,292 of which $1,433,159 is in cash. In addition, there are investments of $429,618. Current liabilities are shown at $398,582 which leave a net working capital, in addition to investments, of $1,804,710. The following is a summary of the consolidated income account for 1930 with comparative figures for 1929:

	1930	1929
	$	$
Production (Premier)	1,996,748	2,404,980
Prod. (Prosperity)	400,198	53,564
Total value ore sold	2,396,946	2,458,544
Less oper. expenses:		
Premier	924,656	853,345
Prosperity	198,735	41,340
Adminis. expense	6,820	6,847
Taxes	91,644	131,924
Net oper. earn.	1,175,091	1,425,088
Misc. income	45,407	132,748
Total net earnings	1,220,498	1,557,836
Less:		
Depreciation	150,803	351,264
Depletion	479,822	736,270
Amort. (Prosperity)	201,803	10,728
W/o (Silverado)	181,239	....
W/o (Porter-Idaho)	200,000	....
Net profit	6,832	459,574
Return of capital accr. through res. acct. set up by depl. & depr.	1,043,942	750,644
Total avail. for divd.	1,050,773	1,210,218
Less: Dividends	1,050,773	1,210,218
Earnings Per Share & Dividend Record:		
Earned	Nil	$0.09
Paid	$0.21	.24

Prosperity Mine Profitable

Production at the Prosperity mine, which Premier operates started in November, 1929. Premier has a 76 per cent interest and Prosperity Mine Syndicate Ltd. has a 24 per cent interest in this property.

Production and shipments to the smelter from this mine in 1930 were 18,049 tons averaging .02 oz. gold and 79.59 oz. silver per ton. The net return from these shipments after deducting all expenses, but before depreciation, depletion and taxes was $201,803. During the fourteen months the mine has been in production a total of 20,853 tons of ore have been shipped to the smelter, having a gross value of $575,877 or an average of $29.33 per ton. In commenting on the production it was pointed out that the average price of silver in 1930 was 38 cents per oz., whereas had the price remained at 65 cents, as it was at the time the property was optioned, the 1930 production would have yielded approximately $565,000 in profits.

Returns Included

The net return of $201,803 from the shipments to the smelter has been included in the company's total statement of earnings, but has been written off as amortization and applied against previous exploration, development and equipment expenditures.

As at December 31, 1930, the remaining balance for the exploration, development and equipment expenditures was $9,679 plus six per cent interest. This is repayable to the company by the application of whatever profits are made on the property and after these advances have been repaid the profits are to be divided in proportion of 76 per cent to Premier and 24 per cent to Prosperity Mine Syndicate, the original owners of the property.

No attempt has been made to accurately estimate the remaining tonnage of high grade ore in the Prosperity mine owing to the small, irregular and scattered nature of the ore of profitable grade. Owing to the low price of silver, the company points out that it may decide to suspend operations at the property, or if it continues to produce, to withhold the silver from sale pending an improvement in the silver situation.

Porter-Idaho Property

At the Porter-Idaho Mining Co.'s property, which adjoins the Prosperity mine and in which Premier has an 82½ per cent interest, production and shipments were started in June last year. Total shipments to December 31, 1930, were 3,730 tons averaging .02 oz. gold and 76.97 oz. silver per ton. The net return from these shipments after deducting all expenses but before taxes, depreciation and depletion was $48,442. In commenting on the operations at Porter-Idaho, the Premier officials state that its ore occurrences are of the same type found in the Prosperity mine except that exploration and development work to date has disclosed less ore.

To amortize Premier's investment in the Porter-Idaho property, $200,000 was written off its 1930 earnings.

Silverado Property Disappoints

Silverado Consolidated which is in the same vicinity as the Prosperity and Porter-Idaho mines, was under option to Premier which owns 450,000 of the 1,000,000 shares outstanding. During 1930, underground development work on this property continued so unfavorable that Premier relinquished its arrangement and option on the balance of the shares. The values upon the surface of the more important No. 1 vein were excellent, but the very thorough exploration and development showed that these values diminished very rapidly at depth.

Lakeview Claim

In the fall of 1930 the company took an option on this group of claims in the Kamloops district of British Columbia following a discovery of an outcrop of massive sulphide, chiefly pyrrhotite and arsenopyrite containing gold values. Exploration and development in a small way has been carried out to learn the nature and value of the deposit which, if it continues favorable will see active work started early in the current year.

Tough Oakes-Burnside Property

In January, 1931, Premier assumed the option on the Tough Oakes-Burnside property at Kirkland Lake held by the Bunker Hill Extension Mines, and is now engaged in further exploring the property to determine its merit. The option calls for $50,000 payable by June 15, 1931, and a remaining cash payment of $50,000 due January 15, 1932. Under the terms of the option a new company, named Toburn Gold Mines Co. Ltd., has been formed with an authorized capitalization of 2,000,000 shares of no par value of which 360,000 shares have been issued to Bunker Hill Extension Mines and other parties interested, as consideration for assigning the option and for exploration work carried out. If and when the option is finally exercised the bondholders of the Tough Oakes-Burnside property will receive 150,000 shares in Toburn in addition to the $100,000 cash payment.

The remaining 1,490,000 shares will be taken down by Premier at 20 cents per share as cash payment on the option are made and as development expenditures on the property are incurred. This share option, in event of the cash payments being made on the property runs until January 15, 1933. Premier has the privilege to withdraw from the arrangement at any time upon 30 days' notice. If and when the option is finally completed Premier will have expended a total of $298,000 of which $100,000 is purchase price for the property and $198,000 is for development work. An arrangement has been made with the Bunker Hill Extension Mines giving it the privilege of participating in the final 500,000 shares taken up by Premier, to the extent of 50,000 shares at 20 cents per share. If that privilege is exercised Premier would then have 72 per cent interest for an expenditure of $288,000 otherwise it will have a 74.5 per cent interest.

B. C. Silver Mines Property

During the past year Premier has carried out further negotiations with the Selukwe Gold Mining & Finance Co. which owns controlling interest in the B. C. Silver Mines and in which Premier owns a 38 per cent interest. Premier, having a plant and facilities offers to work the B. C. Silver Mines property, but so far no basis acceptable to the Selukwe has been found, which at the same time would be beneficial to Premier and negotiations are still pending.

Throughout the year the company carried out extensive exploration in search of properties of merit on suitable terms, but none were acquired.

Cash Earned in Canada Should Be Invested Here

Large American Controlling Mining Corporations Should Aid in Further Canadian Development.

Large and successful mining corporations that have built up strong reserves through able and, perhaps, fortunate exploitation of Canadian resources, should invest their surplus funds in Canadian securities. This is the opinion of some of the important men at the head of the Canadian mining industry. In their own corporations these men insist on their reserve funds being invested in Canadian securities. What type of securities they purchase depends upon the purpose for which the reserves have been set aside.

This policy of Canadian investments for reserves made out of Canadian resources is not followed by some of the larger mining companies. Several of the companies, including some that have their headquarters in American centres or that are largely manned by American directors, invest almost entirely in American securities. Some advantages may be found in this policy. Reserve funds require ready marketability and certain classes of United States securities command this attribute in greater degree than similar Canadian securities. Another advantage, when the corporation has its head office in the States, is that the secretary or other official charged with handling the details of investment of reserve funds, is probably more familiar with American than Canadian securities and his work in making such investments is simplified thereby.

But Canadian directors of American controlled companies, who have urged a policy of Canadian investing on their fellow directors urge that these are not genuine reasons at all. Securities as liquid as are ever required for corporation reserves can be obtained in Canada. And Canadian yields are more attractive. A mining corporation can make call loans in Canada, acting through a trust company, which will supervise all details and give good service, and, after paying the trustee fee, obtain a yield three times as great as would be available on call loans in New York and probably twice as great as could be obtained for time investments in New York. Canadian government and municipal bonds return yields in the neighborhood of 4½ per cent, considerably more than is obtainable on similar United States securities and they have the merit of being thoroughly safe and readily marketable.

Corporations that have made all of their money out of the privilege given them of exploiting the natural resources of Canada, should return the favor by placing all of their undivided profits where they will work directly or indirectly for the further development of Canadian resources.

Bond Issue Planned For Aldermac Mines

Shareholders of Aldermac Mines are in receipt of a notice of annual meeting to be held in Montreal March 17, to consider a bond issue not exceeding $400,000, the proceeds of which are to be used for the erection of a mill.

The company is controlled by the Towagmac Exploration Co., but its property in Boischatel township, Quebec, has been inactive for many months following an extensive development campaign.

Development work to the end of 1929 indicated ore reserves above the 750 ft. level to be 220,000 tons averaging 2.68 per cent copper, 58 cents in gold and .21 oz. silver per ton. In addition, 1,017,960 tons of ore averaging 75 per cent iron pyrites, 1.65 per cent copper, 40 cents in gold and .5 oz. in silver were

Last of Mining Appeals Heard in Ontario Court

Last of the appeals of mining brokers against convictions on charges of bucketing and conspiracy has been heard at Osgoode Hall, Toronto, and decision, as in the previous cases, was reserved.

The appellants were William J. Smart and Maurice E. Young (Homer L. Gibson & Co.), Malcolm Stobie and Charles J. Forlong (Stobie Forlong & Co.), D. S. Paterson and Austin Campbell (D. S. Paterson & Co.).

I. W. C. Solloway and Harvey Mills, (Solloway, Mills & Co.) face further charges in Ontario and British Columbia.

WE SPECIALIZE IN BRITISH COLUMBIA MINING STOCKS
Buying and Selling orders promptly executed on the exchange
THOS. STEELE & SON LIMITED
Stock and Bond Brokers
Main Floor, Rogers Bldg., Vancouver
Members Vancouver Stock Exchange

To the Shareholders of
McLeod River Mining Co. Limited

Holders of shares in the above Corporation who have not had them registered in their own names should forward them at once to the Montreal Trust Company, Toronto, or communicate with the Corporation at 200 Bay Street, Toronto, to enable them to receive an official letter giving valuable rights and containing the latest report from the Company's mining engineer, Mr. Drummond, who is in charge of operations.

McLeod River Mining Co. Limited
200 Bay Street, Toronto

This Issue of THE FINANCIAL POST to any friend of yours . . . .

If you will fill in and mail to us the coupon below, we will send, with your compliments, a copy of this issue of THE FINANCIAL POST to any individual you designate.

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HIGH CONTENT IN NORTH VEIN OF LAKE SHORE

Average Width is 15 Feet; Present Production Rate $12,000,000

From Our Own Correspondent

KIRKLAND LAKE.—The north vein of the Lake Shore has been drifted on for approximately a quarter of a mile, at the 2,200-ft. level, and shows a higher average gold content than at the levels above. The deposit has shown an average width of around 15 ft. Development of the entire length may show a higher average width.

Meantime, the work of continuing No. 1 and No. 3 shafts to 2,950 ft. in depth is progressing nicely. Another five months will probably see both shafts completed to that depth, following which work in connection with the establishing of five new levels will be started. The new levels will be at depths of 2,325, 2,450, 2,575, 2,700 and 2,825 ft., respectively.

Provided values and widths being developed at the 2,000 and 2,200-ft. levels can be taken as indications of what to expect to a depth of 3,000 ft., the block of ore lying between the 2,000 and 3,000-ft. horizons may reasonably contain around $75,000,000 in gold.

There are sections of the north vein which carry between $40 and $50 to the ton. One of these extremely high-grade sections is over 300 ft. in length.

Milling capacity is around 2,500 tons daily. Such a rate will practically assure the enterprise of a production rate of around $12,000,000 annually.

PENINSULAR PETE. MAY GET FUNDS RESULT OF OPTION

New York Interests Said to Have Provided Support

Peninsular Petroleums, a Toronto company with oil leases in the Wainwright field, Alberta, recently has concluded arrangements with a New York firm to take up stock on an option that the company might be provided with funds to carry out a drilling programme.

Since the incorporation of the company in 1929 an effort has been made to obtain finances by offering treasury shares at $2 each. Some shares were sold at this price but not sufficient to carry any definite programme to conclusion. It is understood that the original block will net the company five cents per share as the shares are taken up. Coincident with the new financial arrangements the shares were listed on the Montreal Curb Exchange. They are also traded on the unlisted section of the Standard Stock & Mining Exchange, Toronto. There was little activity in the shares until New York became interested. Now they are selling at from 20 to 25 cents per share.

No Statement Issued

Application was made to list the shares on the Standard Stock & Mining Exchange but the listing committee has not yet seen fit to accept them, the listing qualifications now being as strict on this exchange as any to be found. No financial statement has been made by the company and the actual number of shares outstanding is not known, but it was recently reported that the authorized capital was to be increased from 1,000,000 to 2,000,000 shares. If the New York financial sponsors took up all the increased capitalization at five cents per share, it would mean $50,000 coming into the company's treasury, a sum not commonly regarded as sufficient for a drilling programme.

Last summer, Peninsular Petroleums acquired the Wainwell Oils, after that company had failed to make a success of its Wainwright operations.

COSTS ARE HEAVY FOR A. P. CONSOL.

Expenses Far Exceed Revenue, Annual Report Shows

The annual report of Alberta Pacific Consolidated Oils for the year ended December 31, 1930, shows that the company had an active year, expending $907,600 on exploration and general expense, including $781,044 for drilling. Income in the same period totalled $118,800 of which $78,960 was income from investments, $1,428 interest and exchange, and $38,412 was from the sale of oil and gas as well as royalties on the commpany's holdings.

Current assets totalled $25,074 against which there are current liabilities of $4,812 leaving a net working capital of $20,262. This compares with current assets of $273,226 and current liabilities of $124,941 the previous year. In addition, treasury shares to the extent of 481,220 were issued bringing the outstanding capitalization up to 2,354,252 shares. A. B. Singleton, president of the company, commenting on the operations in 1930, in the annual report, said the expenditure considerably exceeded the estimate made before the work could be done, but that at the present time expenditures had been cut to a minimum.

Progress Recounted

In the Duverney area of Alberta the company in 1930 undertook a development programme and while they did not get a commercial well they feel the expenditure was warranted as it has given sufficient information to justify holding the acreage in that field. Work undertaken in the Red Coulee field, the president states, has more than justified the expenditure, the field proving to be one of the biggest assets of the company. Drilling operations are continuing in the Spring Coulee, but nothing unusual or unexpected in the geological formation has developed.

In the Brazeau area where the company has considerable acreage, plans are under way to drill a community well. The company has two producing wells in the Turner Valley field which are jointly giving approximately 50 barrels of crude naphtha daily. In 1925 and 1927 the company sold the Home Oil Co. leases and in consideration received 150,000 shares of Home Oil stock. The annual report for the year ended December 31, 1929, showed 10,000 of these shares had been sold at $5.30 each. The year just ended shows a further sale of these shares to the extent of 34,025 at an average price of $7.20 each.

Mr. Singleton concluded his report to the shareholders by saying that the company is gradually increasing its revenue from royalties and its own production and is very hopeful for the future of the company.

Noranda Mines Report Earnings are $3,842,115 After Liberal Write-offs

Copper Production Has Doubled and Ore Reserves Increased

OPERATING COSTS CUT

1930 Earnings $1.72 Per Share Against $1.91 in 1929; Liquid Position Strong

Net profits of $3,842,115 after write-offs of $1,810,677, which is equivalent to $1.72 on each of the 2,239,772 shares outstanding, are shown in the 1930 report of Noranda Mines, now going forward to shareholders. This compares with net profits of $4,287,173, after write-offs of $1,701,932, or $1.91 per share, the previous year. Since dividend requirements in 1930 were $1.75 per share the company fell 3 cents short of earning dividends. In 1929 dividends were 75 cents per share.

Despite the depressed metal prices the gross earnings of the company exceed those of 1929, due principally to increased production, while the ore reserves are greater and the financial position is stronger. The company has shown steady progress since the inception of operations late in 1927, and has maintained the policy of liberal write-offs.

Profit and loss statements for the past two years are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1930	1929
	$	$
Metal recoveries	11,967,472	10,947,290
Less:		
Cost of metal prod.	6,024,679	4,592,297
Adminis. & gen. exp.	260,251	192,619
Res. for taxes	481,041	515,118
Bond interest	....	204,220
Net oper. earn.	5,652,791	5,443,036
Non-oper. earn.	451,291	546,069
Total net earn.	6,104,082	5,989,105
Less:		
Devel. w/o	459,967	428,221
Deprec.	1,350,710	1,273,711
Net profit	3,842,115	4,287,173
Less: Dividends	3,919,601	1,679,829
Surplus for year	*77,486	2,607,344
Previous surplus	3,967,600	1,360,256
Surplus forward	3,890,114	3,967,600
Dividend Record and Earnings Per Share:		
Earned per share	$1.72	$1.91
Paid	1.75	.75

*Deficit.

Production showed a substantial gain and was due to increased smelter facilities completed late in 1929, and to a 700-ton addition to the concentrator completed in June, 1930. A tabulation of details of production since the commencement of operations is as follows:

Mining and Smelting Operations

	1930	1929	1928
Direct smltg. ore ship. to smelter, tons	422,155	274,879	265,970
Copper content, %	7.22	7.64	6.52
Gold content, per ton, $	3.30	4.16	3.82
Silver content, per ton, oz.	.77	.87	.64
Fluxing ore ship. to smelter, tons	252,797	99,015	....
Copper content, %	1.30	1.67	....
Gold content, $	2.94	1.22	....
Silver content, oz.	.27	.29	....
Comp. ore shipped to con., tons	173,451	48,437	....
Copper content, %	2.85	3.27	....
Gold content, $	3.53	3.72	....
Silver content, oz.	.41	.459	....
Concentrates made, tons	36,877	10,411	....
Customs ore shipped to con., tons	18,405	3,254	....
Concentrates made, tons	....	1,042	....
Ore treated by smelter, tons	733,971	428,221	271,926
Total comp. ore treated, tons	848,403	422,331	271,926
Total ore treated, tons	866,808	432,742	271,926
Blister copper produced, lbs.	76,143,246	51,625,478	33,307,937
Copper content, %	99.17	99.22	99.27
Gold content, oz. per ton	3.08	2.66	3.18
Silver content, oz. per ton	18.17	12.95	11.2
Value of metal recovered, $	11,967,472	10,947,289	6,160,098
Value of metal rec. per ton ore treated, $	13.80	25.56	22.65

*December.

Ore Reserves Increase

During 1930, the No. 3 shaft was deepened from 1,040 to 1,534 ft., and No. 4 shaft was deepened from 1,225 to 1,350 ft., permitting three new levels to be opened up on the 1,100 1,225 and 1,350 ft. horizons, while the two shafts were connected on the 1,225 and 1,475 ft. levels.

Drifting and crosscutting to the extent of 16,935 ft. and underground diamond drilling to the extent of 50,965 ft. was completed during the year, which reflected in increased ore reserves. The ore reserves as compared with previous years are as follows:

Noranda Ore Reserves

Year	Tons	Gold $ per ton	Copper per cent
1924	611,500	...	..
1925	944,525	5.54	6.7
1926	1,022,425	5.08	7.51
1927	1,198,375	5.44	6.73
1928	3,097,000	3.68	7.31
1929	3,426,000‡	3.29	7.53
	3,000,000§	3.00	2.00
1930	3,433,000‡	3.01	7.2
	4,448,000§	3.52	1.83
	294,000**	5.72	.8

§Concentrating ore.
**Fluxing ore.
‡Direct smelting ore.

Production costs in 1930 showed a substantial reduction from that in previous years, partially owing to the greater tonnage treated. One item that of bond interest is no longer present as the company now has no funded debt although it does guarantee the bonds of the Canadian Copper Refineries to the extent of $2,500,000. The total operating costs are reduced from $12.71 per ton of ore treated in 1929 to $7.80 in 1930 and indicate the efficient manner in which the enterprise is now functioning.

Write-offs per ton of ore are less owing to the greater tonnage treated, but the total write-offs are greater than in previous years. The following is a comparison of costs since commencement of operations:

Noranda Production Costs
(Per Ton)

	1930	1929	1928
	$	$	$
Metal prod., incl. mining, smelting, customs ore & delivery	6.95	10.60	9.66
Taxes	.55	1.19	.99
Gen. & admin. exp.	.30	.45	.45
Bond int.	..	.47	.76
Total oper. cost	7.80	12.71	11.86
Deprec. & w/o	2.09	3.94	6.10
Total cost	9.89	16.65	17.96
Recovery	13.80	25.56	22.65
Profit	3.91	8.91	4.69

Although the past year was one calling for heavy expenditures owing to the commitments for the new copper refinery and the interest in fabricating plants, the liquid position of the company is shown to be strong having current assets in excess of $500,000, besides holding investments in other companies, amounting to $2,778,927. The working capital on December 31, 1931, was $5,677,496 as compared with $5,615,501 the previous years.

J. Y. Murdoch, K.C., president of the company commented on operations in his report to the shareholders as follows:

"Copper production in 1930 was very materially increased (and would have shown a still greater increase had the price of copper remained at a more reasonable level) and your company greatly strengthened its position in the industry by advancing from the position of just a producer to that of producer and refiner with a close alliance with a large fabricator.

Tonnage Doubled

"Total tonnage of ore treated in the past year was double the tonnage of 1929, but notwithstanding the drawing of approximately 850,000 tons of ore from the mine, the ore reserves at the end of last year an increase of slightly over 1,500,000 tons as compared with the reserves at the end of 1929.

"The copper refinery of the company's subsidiary, Canadian Copper Refiners being erected in the town of Montreal East, Quebec, is now nearing completion and has been placed in operation, all copper produced at the company's smelter at Noranda being now shipped to the new refinery. The cost of this refinery over and above the proceeds of the $2,500,000 first mortgage bond issue is being paid for by your company and its associates therein, Nichols Copper Company and British Metal Corporation."

"The expansion of the company by acquisition of refinery and fabricating interests involves the expenditure of a large sum of money and these expenditures and the delay in receiptts from early 1931 production necessitated in connection with bringing the refinery into operation lead the directors, in view of the uncertainty as to the near future price trend of copper, to omit payment of the dividend which would ordinarily have been paid on January 2, 1931. During 1930, which was the first year dividends had been paid by your company, it disbursed by way of dividends $5,599,430, of which $1,679,829 was paid out of 1929 earnings and $3,919,601 from 1930 earnings."

Silver Prices Rise As India Quietens

Silver has staged somewhat of a bull market during the past few days, closing Tuesday, March 10, at 30¾ cents per ounce asked, as compared with a low of 25¾ cents per ounce on February 16.

The rise in price is attributed to Gandhi making peace with Lord Irwin, viceroy of India, and the possibility of stimulated trade conditions. It is thought that there is likelihood of negotiations regarding the stabilization of silver prices in India being brought to fruition, which would mean that if the proposed plan was agreed upon silver would advance rapidly and probably to the point to where a stimulus would be given the industry to the extent that silver production would again be given serious consideration and occupy the status formerly enjoyed.

Fifty Cent Dividend Declared By Royalite

Royalite Oil Co., a subsidiary of Imperial Oil Ltd., operating in Turner Valley, Alberta, has declared a dividend of 50 cents per share payable March 16 to shareholders of record of March 5.

The last dividend paid by the company was on May 1, 1930, and was of a like amount, calling for the distribution of $250,000. Six dividends have been paid by the company since their inauguration in 1926, calling for a total distribution of $2.25 per share or a total disbursement of $1,000,000. There is no fixed dividend date or rate. Declarations are at the discretion of the directors as earnings justify.

The total production for 1930 was approximately 350,000 barrels, chiefly crude naphtha. No intimation has been made as to what earnings for 1930 were, but in 1929 with a production of 293,247 barrels of crude naphtha there was a net profit of $1,159,795 equivalent to $2.32 per share.

Tri-Metal Mines Delisted from Standard Exchange

Tri-Metal Mines, a Canadian incorporation headed by American interests, has been dropped from the listed section of the Standard Stock & Mining Exchange, Toronto.

No explanation is given for the action but it is known that the company has not been viewed with favor in Toronto. Tri-Metal Mines holds some property in Nova Scotia, and is the parent company controlling several United States properties that it was trying to resuscitate, including Aco Mining Co., Le Noir Gold Mines Corp., and Butte-Madison Mines Corp.

The last trading in the stock on the listed section closed at $2.75 per share.

MACASSA FINANCED BY NEW YORK GROUP

Macassa Mines proposes to start work immediately and sink a new shaft about the middle of the property. The main break of the Kirkland Lake mining camp has been traced partly by underground workings and partly by diamond drilling and surface work across the full width of the Macassa property, some 4,500 ft. in length. The results of this exploration work were sufficiently encouraging to warrant undertaking this new development work.

It is said that New York financial people have become interested in the property; have purchased a block of treasury stock, and have been given an option on a further block of treasury shares, and arrangements have been made to list the shares on the New York Mining Exchange.

It is reported that when all options are exercised that the company will be provided with sufficient funds to complete its proposed development programme.

At the time the company suspended operations in December, 1928, it had approximately $175,000 in its treasury which it has conserved as it was realized that that amount would not be sufficient to carry the programme the company had in mind to conclusion.

The property consists of 242 acres adjoining the Kirkland Lake Gold Mining Co. on the west. On that part of the property acquired from the Elliott Kirkland Gold Mines in 1926, a shaft has been sunk to a depth of 500 ft., on the main break, and this lowest level has been explored by the present company which also put down some diamond drill holes to the 1,000 ft. horizon.

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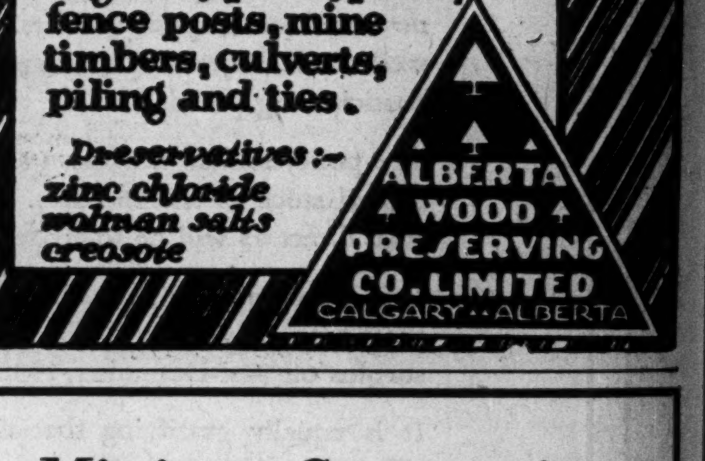
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Mining Companies with Attractive Possibilities

There are a number of mining companies in Canada with adequate finances, that have ceased operations at their original property and are now simply waiting for a favorable time to secure new properties for development. Some are carrying on exploration work. These are mostly smaller companies that have not been in the centre of the stage.

The stock of many of these companies is widely held but little publicity has been given to their position or finances. Many of them have distinct possibilities as speculations, since with money they may secure or locate really valuable properties.

All the facts obtainable about these companies are given in the latest Financial Post Survey of Mines, the properties, the officers and directors, last balance sheet, working capital, etc. and with the Directory of Mine Managers and Mining Engineers also included in The Survey of Mines, it is possible to check up the experience and qualifications of the practical men directing operations.

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Power and Public Utilities Investments

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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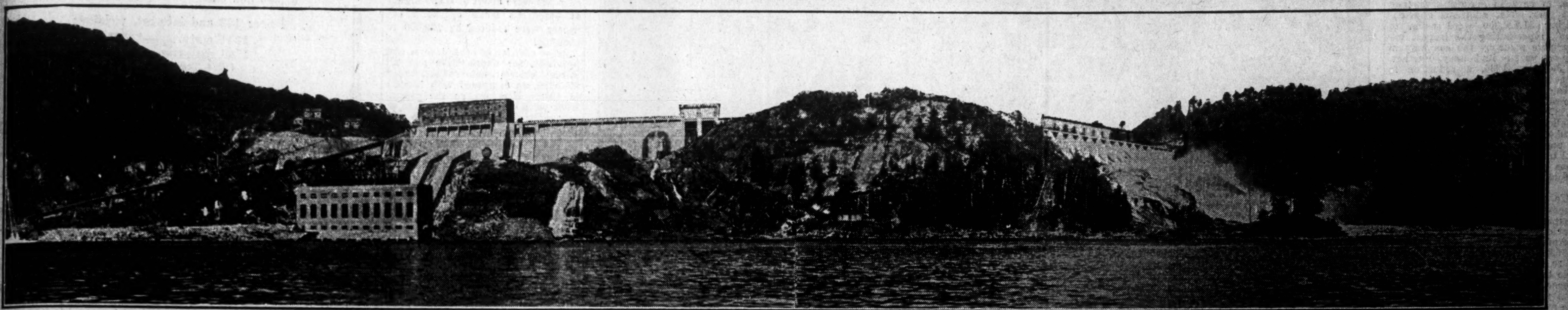
CANADIAN PUBLIC UTILITY COMPANIES GO FORWARD WITH CONFIDENCE



Over $80,000,000 was spent on Canadian water power developments in 1930. An equal, or larger amount will be spent this year. The activity in this field of economic endeavor has been the outstanding feature of Canadian activity during recent years. Despite the larger gains in turbine installations, demand keeps pace. Some idea of the immensity of the water power undertakings may be gained by an examination of the above picture, which represents a power development of the Maclaren-Quebec Power Co., on the Lièvre River, in Quebec. This is one of the newest developments, the first section of 90,000 h.p. having been completed a short time ago. Another 130,000 h.p. plant is being constructed. As in the case of other power projects, recently completed or under way, practically the full output has been contracted for over a long period.

'PHONE FIRMS AIM TO WIDEN TOLL BUSINESS

Major Organizations Join Trans-Canada System

ALL CANADIAN LINE

Further Expansion Planned by Leading Companies to Supply Growing Demand

One of the most striking features in recent progress of telephonic communication in Canada has been the growth of toll or long distance business. In 1930 a notable step was taken in this respect, when an agreement was signed by all leading telephone organizations in Canada consenting to participation in a partnership known as Trans-Canada Telephone System.

The agreement came into effect March, 1931, and will be operative in the latter part of the year. By means of this agreement, an all-Canadian telephone system will link the Atlantic coast with the Pacific; all business will be handled by Canadian companies, whereas calls were formerly routed through portions of the United States.

All Provinces Participate

The units comprising the Trans-Canada Telephone Systems are the Maritime Telegraph and Telephone Company, New Brunswick Telephone Company, Bell Telephone Co. of Canada, Manitoba Telephone Systems, Saskatchewan Government Telephones, Alberta Government Telephones and British Columbia Telephone Co.

Though considerable expansion was undertaken by some systems in Canada during 1930; in common with other public services, the telephone industry was adversely affected by the business depression. Use of local and long distance service has become so widespread, that fluctuations in business are reflected in the volume of traffic and earnings more quickly and extensively than would have been the case a few years ago.

Large Expenditures Made

Despite a tendency toward lower earnings, substantial sums were spent on capital account. Telephone companies must keep a step ahead of the demand which business makes on their services; the growth of the business would quickly congest existing facilities were they not extended year by year in advance of actual requirements.

It has been said that there is no single business in Canada, with the possible exception of the railroads, that requires so much money for capital expenditures. The Bell Telephone Company, for example, plans to spend $20,000,000 during the current year, while during the last five years it has spent on additions to plant and replacements, $116,800,000, or an average of $23,300,000 a year.

The increase in toll business throughout Canada has been stimulated by improved facilities. Telephone companies have taken special pains to develop this type of call and improved operating results have led to a wider use of long distance service.

Private Ownership in East

Private capital has supplied the necessary funds for operation of telephone services in Eastern Canada. Utilities in New Brunswick and Nova Scotia and Prince Edward Island are owned by shareholders throughout the provinces they serve. Bell Telephone Co. of Canada, in which there is a wide stock interest, serves Ontario and the greater part of Quebec. The three Prairie provinces, however, operate their own telephone systems under Government control, but in British Columbia the B. C. Telephone Company again represents private ownership.

In addition to these major organizations, there are thousands of small independent systems, privately owned, operating in different parts of Canada. In Saskatchewan alone there are over 1,000 co-operative telephone systems, and the total number of independent companies aggregates over 2,000 throughout Canada.

Securities Gain Confidence

The securities of major privately-owned telephone companies in Canada have gained a certain confidence with investors through the sane policy of jurisdiction which governs

(Continued on page 19)

Seek Power Sites On Montreal River

Survey parties of Algoma District Power Co., subsidiary of Middle West Utilities of Canada are covering the upper and lower falls of the Montreal River about 93 miles north of Sault Ste. Marie with a view to investigating power sites capable of developing 100,000 h.p.

This action follows an agreement whereby the company is granted the right to develop under lease these falls on the Montreal River subject to Government control. In return, the company hands over its legal rights on the river as well as its rights on the Mississaugi River.

The agreement consisted of the surrender to the Crown by Algoma Central and Hudson Bay Railway of its title to the upper falls on the Montreal River together with certain flooding rights, followed by acceptance by Algoma District Power Co. of a Crown lease on this site in consideration of a rental payable to the province and submission to Government control. The power sites had been under dispute for some years.

CENTRAL STATIONS INCREASE OUTPUT IN DIFFICULT YEAR

Power Production Showed Gain of 1 Per Cent in 1930

Despite the general business recession last year, electric power output in Canada, as measured by central electric stations' production, was 1.1 per cent greater in 1930 than in 1929. Total output from central electric stations was 17,828,121,000 kw.h. which was an increase of 192,245,000 kw.h. over the 1929 total.

Hydro-electric power accounts for by far the greater proportion of central electric stations' output in Canada. Actually 98.3 percent of the total or 17,526,363, thousands of kw.h. were produced by waterpower in 1930 and only 302,758 thousands of kw.h. were generated by fuel.

Maritimes Show Gain

In the Maritime Provinces, Quebec and British Columbia, electricity generated by waterpower showed an increase in 1930 as compared with 1929. In the Maritime provinces output of central electric stations from waterpower showed a gain of over 150 per cent and totalled 469,517 thousands of kw.h. as compared to 185,501 in 1929.

This was due, in part, to increased production from St. John River Power Co. and Nova Scotia Light & Power Co. while developments of the Nova Scotia Utility Board also swelled the total.

Quebec Still Leader

In Quebec, where power development in recent years has attained large proportions, output of central electric stations from waterpower in 1930 amounted to 8,786,489 thousands of kw.h. as compared with 8,677,204 in 1929. This province leads all others in Central electric stations output.

Ontario, which ranks second, recorded a slight decline in waterpower development in 1930. Central electric stations' production in this division amounted to 5,988,381 thousands of kw.h. as compared to 6,145,166 in the previous year.

Decline in Prairie Provinces

In the Prairie Provinces a slight decrease as compared with 1929 was also recorded. Waterpower output in the three provinces was 1,122,215 thousands of kw.h. a figure slightly below that of the preceding year. Industrial conditions and shortage of water in Manitoba played a part in this decline.

British Columbia, on the other hand, showed an increase. Output in 1930 totalled 1,158,761 thousands of kw.h. as compared with 1,077,127 in 1929. The increase for the last quarter of 1930 was particularly noteworthy, amounting to about 80 percent of the total gain for the whole year. December output was the largest in the year and created a new record in monthly output for the Pacific coast province.

Is Increasing Factor

Water power development in British Columbia is becoming an increasingly important factor in the economic growth of the province; new developments were brought into production and further programmes of expansion are under way. A short-

(Continued on page 19)

GAS INDUSTRIES REACH STABILITY BY ADAPTATION

Lighting Load Lost, But Greater Business Found Otherwise

FUTURE IS BRIGHT

Growth of Last Few Years Seen as Indication of Possibilities—Securities Are Highly Regarded

Leaders of the gas industry in the United States and Canada see indications that their business will continue its march of progress in 1931. They look for no abatement in output and sales in view of the fact that the 1930 record almost equalled that of 1929 despite the general business uncertainty of the year.

Clifford E. Paige, president of the American Gas Association, recently stated that gas was being used in the United States by approximately 16,000,000 customers. During 1930, the aggregate volume sold was nearly 2⅓ trillion cubic feet. Most of the gas companies in that country have maintained their schedules of construction, and at President Hoover's request, have, as far as possible, anticipated them. The result is that public utilities and the gas industry particularly have been able to employ even more people than was the case in 1929, thus making a substantial contribution to the stabilization of the business.

Territory Expanded

During the year, the territory served by the gas industry has extended materially. Moreover, the useful purposes for which gas may be adapted for fuel have increased considerably.

The increased activity in research at the Cleveland laboratory of the American Gas Association and the co-operation of various technical

(Continued on page 19)

Public Utility Stocks Secure Confidence Canadian Investors

Splendid Record Over Many Years Holds Interest

POWER GROUP LEADS

Telephone, Tramways and Gas Securities Also Come in For Attention

Public utility stocks, as a group, have exhibited good resistance to the general lowering of values which has taken place over the past fourteen months. While losses in many individual issues have been comparatively heavy, it is notable that holders of utility securities have shown their confidence by refraining from selling while the general list has fallen away sharply in value.

Power stocks have led the group, this class having come to the fore in the United States and Canada over the past few years. The remarkable development of the water power industry in this country, together with the widening use of electric energy and consequent increase in earnings, has not been without benefit to shareholders.

In such outstanding examples as Montreal Power, Shawinigan, etc., stock rights, bonuses, increased dividends and marked appreciation in value have made investment in power securities one of the most profitable among Canadian media.

New Trend in Industry

There has been growing tendency toward consolidating power operations in this country. This has been especially noticeable in the West, but the absorption of the small units by the major concerns in the East has not been insignificant. Thus, in the course of a few years, control of the power industry in this country has gradually centred around a few large operations. Except in the case of holding companies, few of the major concerns have gone outside their own immediate domain. Montreal Power, for example, has concentrated its position on the Island of Montreal and the South Shore. Shawinigan has not gone outside of Quebec. Southern Canada Power has kept to the Eastern Townships of Quebec. British Columbia Power restricts its operations to British Columbia. Calgary Power, on the other hand, has gone a step

(Continued on page 19)

Power Customers Number 1,464,005

Report of the Central Electric stations for 1928 shows 1,464,005 customers, of which 1,207,457 used domestic light; 215,728, commercial light, and 40,820 power. In the preceding year the number of customers aggregated 1,381,968, divided as follows: domestic light, 1,142,512; commercial light, 199,431, and power, 40,025.

Distribution of customers by commercial and municipal stations is shown in the following comparative table:

	1928	1927
Commercial Stations	677,223	622,823
Domestic Light	547,949	505,394
Commercial Light	109,219	97,246
Power	20,055	20,183
Municipal Stations	786,782	759,145
Domestic Light	659,508	637,118
Commercial Light	106,509	102,185
Power	20,765	19,842

TRACTION FUTURE REMAINS CLOUDY BECAUSE OF AUTO

Business Depression Accounts for Some of Decline in Last Year

MONTREAL EXCEPTION

Other Cities Where Trams Stand by Themselves Do Not Offer Attraction for Investor

American Electric Railways Association reports a decline of approximately 7.5 per cent in passenger traffic on street railways and their affiliate bus lines in 1930. There is no doubt that the widespread unemployment in the United States accelerated the decline for the year, but close observers of this class of utility do not expect that a recovery in business, which will be reflected in street railway revenues, will mean that the problems of the traction companies have been solved.

Canadian investors are interested in street railway transportation in several countries: Canada, United States, Brazil and Mexico. In every instance where the street railway company stands by itself (that is, it is not a part of an electric power system) it is, with one exception, a dubious investment. The one exception is in Montreal and even there are special conditions and a strong affiliation with the power group.

Trouble in Many Cities

In Mexico, the ubiquitous jitney and a financially embarrassed government have contributed to a situation which promises little improvement, although the subsidiary power company since 1928 has been able to earn its fixed charges. Duluth-Superior Traction Co. is in receivership and earnings are declining. In Minneapolis and St. Paul the outlook possibly has improved since the company has been freed of some of its

(Continued on page 19)

Preparing the Way for an Industrialized North

View shows an unusual engineering feat in connection with the power development carried out at Chute-à-Caron on the Saguenay River by the Alcoa Power Co., a subsidiary of Aluminum Co. The mountainous splash was caused by the dropping in place of a 5,400 cubic yard block of cement, which effectively closed the main channel and permitted work on the dam. This plant is now in operation with a capacity of over 200,000 h.p., which is only the forerunner of a more comprehensive scheme which involves the installation of more than 800,000 h.p. at a site on the Shipshaw River nearby.

N.B. Plant Will Use Minto Coal for Fuel

Progress is being made with construction of a power station at Grand Lake, N.B., which will utilize fuel from the adjacent Minto coal fields in generating electricity.

The project is being carried out by the New Brunswick Power Commission and completion is expected about the middle of the current year. It is understood that eventual production from this station will approximate 50,000 h.p.

Power will be distributed in surrounding territory and transmission lines are presently under construction. While the commission has various hydro-electric developments in operation, the steam plant at Grand Lake represents the first definite effort to use production from the large Minto coal fields for power purposes.

AVAILABLE POWER RESOURCES REACH IMPRESSIVE TOTAL

Only 14 Per Cent Developed at the Beginning of 1931

Canada's available 24-hour water power, at 80 per cent efficiency, is estimated at 20,347,400 h.p. at ordinary minimum flow. The Dominion Water Power Bureau further estimates that at ordinary six months flow, Canada has available 33,617,200 h.p., which compared with the present turbine installation of 6,125,012 h.p.

From the detailed analysis listed below, the figures listed represent 24-hour power and are based upon rapids, falls and power sites of which the actual drop or the head possible of concentration has been measured or at least carefully estimated. Many unrecorded rapids and falls of undetermined power capacity exist on rivers and streams from coast to coast. These will only become available for tabulation as more detailed survey work is completed; this is particularly true in the less explored northern districts. Also no consideration has been given to the power concentrations which are feasible on rivers and streams and gradual gradient, where economic heads may be created by the construction of power dams, unless definite study has been carried out and the result made a matter of record.

Turbine installation by provinces, shown in the accompanying table, gives a total capacity of the water wheels actually installed throughout the Dominion; these figures should not be placed in direct comparison with those of available power to deduce the percentage of the available water power resources developed to date.

Turbine Installation Greater

The water wheel installation throughout the dominion averages 30 per cent greater than the corresponding maximum available power figures for developed sites calculated at ordinary six months' flow. The figures shown, therefore, indicate that at the present recorded water power resources of the Dominion will permit of a turbine installation of about 43,000,000 h.p. In other words, the present turbine installation represents only a little more than 14 per cent of the present recorded water power resources and the figures in columns one may be said to represent the minimum water power possibilities of the Dominion.

The detailed analyses which have been made of the water power resources of New Brunswick and Nova Scotia, for example, disclose most advantageous reservoir facilities for regulating steam flow, and, allowing for a diversity factor between installed power and consumers' demand, it is estimated that the two provinces possess within their respective borders 200,000 and 300,000 commercial horsepower, considerably higher figures than those given in the table, even for six months' flow.

	Available 24-hr. power 80% efficiency Ordinary Min. flow	Available 24-hr. power 80% efficiency Ord., six mos. flow	Turbine Install. H.P.
B. C.	1,931,000	5,103,500	630,792
Alta.	390,000	1,049,500	70,582
Sask.	542,000	1,082,000	42,035
Man.	3,309,000	5,344,500	311,925
Ont.	5,330,000	6,940,000	2,088,055
Que.	8,459,000	13,064,000	2,718,130
N. B.	68,600	169,100	133,681
N. S.	20,800	128,300	114,224
P. E. I.	3,000	5,300	2,439
Yukon	294,000	731,000	13,199
Total	20,347,400	33,617,200	6,125,012

LOW COST POWER NEED OF INDUSTRY

Vitalizes Whole Economic Structure in Canada

PLENTY FOR NEEDS

Present Installations and Projects Under Way Assure Adequate Supply

Low cost power is essential to present-day civilization; it not only makes possible the economic development of other natural resources, but also contributes largely to their conversion into usable materials and makes possible the manufacture of machines and implements which, in their turn, require power for their operation. Thus, low cost power, which in Canada means waterpower, vitalizes the whole economic structure, affecting profoundly production, employment and the standard of living of the whole nation.

Augmented by the installation of 397,850 h.p., brought into operation during 1930, Canada's hydraulic installations have attained a total of 6,125,012 h.p.

Construction already under way will add 500,000 to 600,000 h.p. to this total before the end of 1931, with an additional two and one-half million h.p. in active prospect.

Central Stations Expand

Power developments have extended throughout every province of Canada, with the exception of Prince Edward Island. A noteworthy feature of the construction is that, with one minor exception, the entire new installation is developed for public distribution through central electric station organizations.

While complete information regarding Canada's great water power resources is not yet available, all existing stream flow and power data from federal, provincial, and private sources, have been systematically collated, analyzed and co-ordinated with the object of presenting a dependable estimate of available power based upon uniform methods of computation and arrangement.

Ample Power Resources

The known available water power in Canada, according to a survey prepared by the Dominion Water Power and Hydrometric Bureau, is 20,347,400 h.p. for conditions of ordinary minimum flow and 33,617,200 h.p. ordinarily available for six months of the year.

The conservatism of these estimates is demonstrated by an analysis of the water power plants scattered from coast to coast, concerning which complete data are available as to turbine installation and satisfactory information as to stream flow. The analysis shows the average machine installation to be 30 per cent greater than the ordinary six months' flow power. Applying this, the figures quoted, therefore, indicate that the present recorded water power resources of the Dominion will permit of a turbine installation of about 43,700,000 h.p.

Total installations to date of water wheels and turbines throughout the Dominion is 6,125,012 h.p. In other words, the present turbine installation represents only slightly more than 14 per cent of the recorded water power resources.

Go Hand in Hand

The development of Canada's natural resources of forest and mines has long been closely linked with that of her water power resources, which have also been drawn upon to furnish energy for municipal and domestic uses. More recently general manufacturing and, latterly, agriculture, have turned to the same source, with the result that for several years past, practically the entire new hydraulic installation has been carried out by central electric station organizations for public distribution.

Utilization of abundant water power has enabled Canada to advance from an almost wholly agricultural country to a manufacturing country of major importance. The diversity of this utilization in industry is so great that only the main classes of development can be dealt with in this survey.

Use of Power

Of the total installation of 6,125,012 h.p., 5,214,336 h.p. or 85.1 per cent, is installed in central electric stations for general distribution for industrial, municipal, commercial,

(Continued on page 19)

MAR. TELEPHONE EARNINGS HIGHER FOR PAST YEAR

Small Deficit After Taking Care of All Charges

From Our Own Correspondent

MONTREAL. — Expenses, additions and improvements to the property of Maritime Telegraph & Telephone Co. in 1930 found reflection, in part, in operating revenue last year. Net additions approximating $1,320,000 were made to plant, representing the largest expenditure made by the company in any one year in its history. Further, in January, 1930, a reduction in rates was effected.

Telephone operating revenues showed an increase of $81,000 at $1,887,228 and net operating revenue totalled $606,864 as compared with $546,485 in 1929. After deduction of uncollectible operating revenues and taxes, net earnings from operations were $496,346, an increase of $46,000.

Net Earnings Higher

To this was added miscellaneous income though dividends from investments were not received as in previous years. Total net earnings, therefore, were $507,733 as against $496,842. After all senior charges there remained a net profit applicable to dividends of $314,338 an increase of slightly over $4,000. This sum was equal to $2.10 a share on the preferred stock which has a par value of $10 and 79 cents a share on the common stock of similar par value on which dividends of 80 cents a share were paid.

Common share earnings, however, are based on 266,022 shares outstanding as compared with 247,331 shares outstanding at the end of 1929. It is the intention to make a new issue of shares during the current year to provide funds for capital expenditure and to repay bank loans.

Profit and Loss Accounts

Following is a comparison of income accounts:

	1930 $	1929 $
Operating revenues:		
Exchange service ...	1,328,396	1,282,264
Toll service	538,729	503,272
Miscellaneous	20,103	20,880
	1,887,228	1,806,416
Operating expenses:		
Maintenance	234,954	236,059
Depreciation	389,475	380,554
Traffic	327,675	307,347
Commercial	167,386	156,341
General and misc. ..	160,874	180,630
	1,280,364	1,259,931
Net oper. revenue	606,864	546,485
Less: Uncollectibles ...	14,754	6,304
Taxes	95,764	89,376
Net earnings	496,346	450,805
Add: Dividends	......	39,512
Miscellaneous	11,387	6,525
Total net earnings	507,733	496,842
Less: Rent and misc. ..	14,166	9,593
Bond interest	140,000	140,000
Disc. on secs.	10,455	10,146
Income tax	28,774	26,976
Net profit	314,338	310,127
Less: Dividends	312,659	267,000
Donations	2,000	1,800
	*321	51,327
Add: Prev. surp.	251,143	199,816
Bal. forward	250,854	251,143

*Deficit.

Adds to Properties

The extensions to properties are reflected in the balance sheet. A working capital of $702,942 at the end of 1929 has been replaced by an excess of current liabilities over current assets of $256,466. Current assets total $371,419 and current liabilities are $627,885.

A sharp drop in current assets, which in 1929 totalled $930,314, is chiefly accounted for by a decrease in cash and deposits which total $18,768 as opposed to $620,309. Sundry deferred charges have increased by nearly $20,000 to $20,005 while prepayments are higher by $14,000 at $37,586. Investment securities are unchanged at $386,025.

Total Assets Higher

Plant is now carried at $8,655,166 an increase of $969,000. Construction in progress is carried at $372,291 as opposed to $195,326, and total assets are now valued at $10,200,242 as compared with $9,574,117 at the end of 1929.

Bank loans of $350,366 make their first appearance in liabilities, and accounts payable are $37,000 higher at $92,530. Total current liabilities were $400,000 higher than at the end of 1929.

First mortgage bonds are unchanged at $1,500,000 while general mortgage bonds are outstanding to the extent of $1,000,000. Preferred stock is unchanged at $1,500,000 but during the year 18,692 additional common shares were issued bringing the total number outstanding to 266,022.

Depreciation and contingency reserve has been increased by $31,000 to $2,601,065 and insurance and casualties reserve is $8,000 at $60,218. Surplus is marginally lower at $250,854.

Review Expenditures

In a review of capital expenditures in 1930 it is pointed out that a dial system replaced manually-operated switchboards in the Sackville central office building, Halifax, and two-thirds of this work was completed during the year, further, a new toll line switchboard was installed in the Lorne office, Halifax, and operated for the greater part of 1930. A through line from Halifax to Montreal was completed early in the year and another such line is now required; as also a second through line from Halifax to Boston. These additional circuits, it is expected, will be in operation during 1931. The Halifax-Montreal line will form part of the all-Canadian route from coast to coast. To improve and facilitate long distance line operation, the equipment was installed in various Maritime centres.

The reduction in rates in January, 1930, consisted of a change in the measured service rates in Halifax and short term rates and other charges which apply throughout the province. It was pointed out that this reduction in charges resulted in a loss of revenue for the year of $33,000 and in consequence the company did not earn the full return allowed by statute. Number of telephones installed increased from 38,262 to 40,246 at the end of 1930.

Remarks to Shareholders

In his remarks to shareholders, O. E. Smith, president of the company said in part:

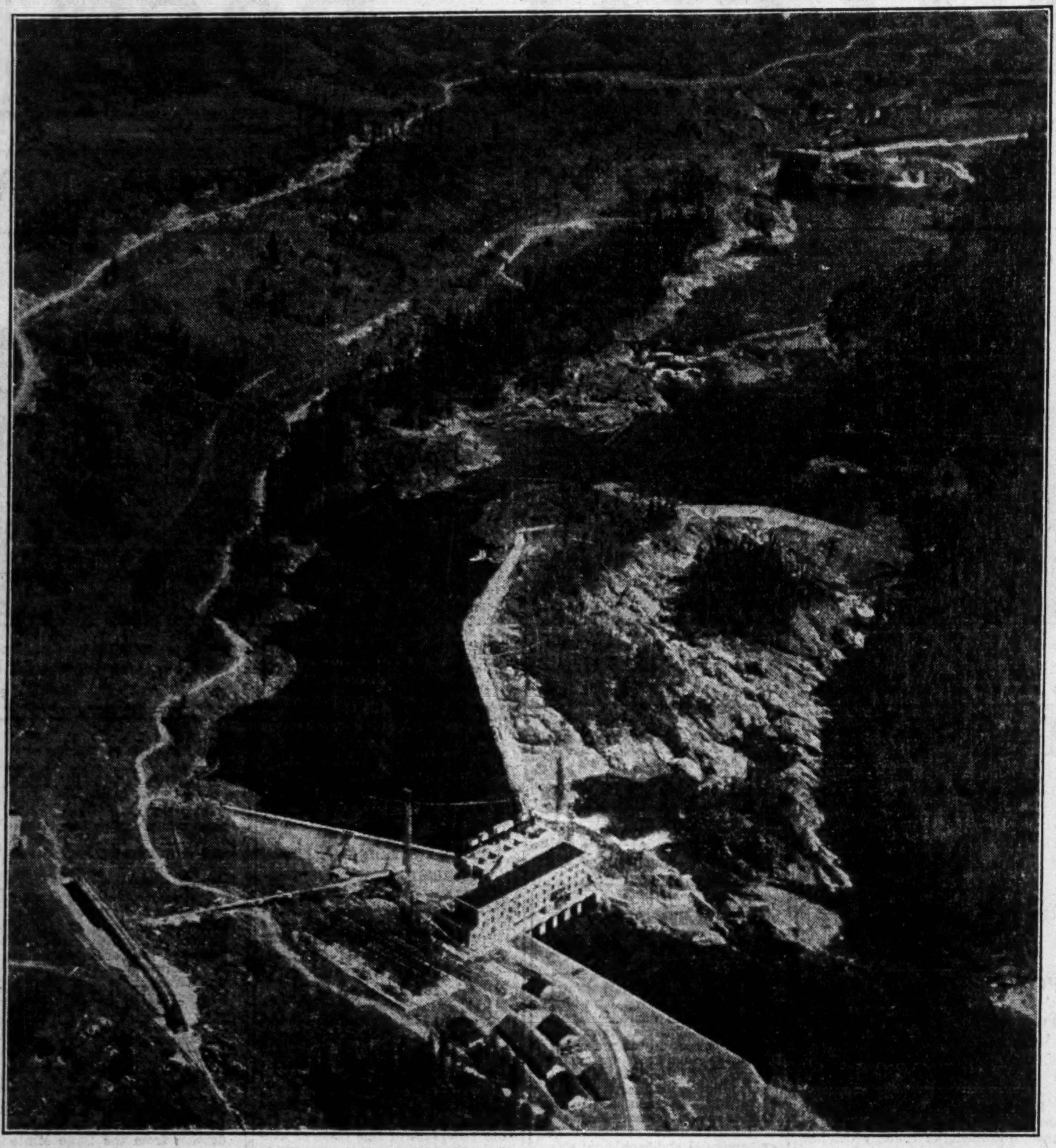
"The increase in long-haul traffic referred to in last year's report still continues and long distance calls to such points as Toronto, Chicago, and New York are commonplace. It is not at all unusual for calls to be put through to such distant points as San Francisco, Cuba, Winnipeg and Vancouver.

"Owing to the crowded condition of the head office building, it became necessary to add two stories, at last completing the original plan. A large extension was also made to the company's building in Sydney.

"It is the intention of your directors to take a new issue of shares during the present year."

INSULL, SON & CO.
OF CANADA, LIMITED
Royal Bank Building - Montreal

Mountain Region Provides Big Power Developments



This illustration shows two power plants on the Kootenay River, known as the South Slocan development of the West Kootenay Power Co., a subsidiary of Consolidated Mining and Smelting Co. of Canada. As a result of the latter's plans for the development of a fertilizer plant, West Kootenay has had to take steps to increase its power installations. Eventually the company may go ahead with its Pend Oreille scheme, which will give the company a turbine installation of several hundred thousand horsepower. Present work and that in contemplation will involve an outlay running into tens of millions of dollars.

POSTAL TELEGRAPH PASSES DIVIDEND

Current Improvement Not Yet Sufficient to Warrant Preferred Payment

In announcing the passing of the quarterly dividend on the 7 per cent preferred stock of the Postal Telegraph and Cable Corp. the board of directors say that the consolidated net income before deducting interest charges of $2,533,465 on the $50,670,209 collateral trust 5% gold bonds and debenture stock outstanding at December 31, 1930, amounted to $2,630,234.

To the extent to which earned surplus was insufficient for the purpose, dividends for 1930 on the 7% non-cumulative preferred stock were provided from the paid-in surplus of the corporation. In the announcement made December 5, 1930, at the time of the declaration of the final quarterly dividend for the year 1930 on the 7% non-cumulative preferred stock, it was stated to be the policy of the directors that the declaration of dividends in the future must depend on the earnings of the corporation.

It was further announced that while gross earnings so far realized in the current year are running slightly better than in the last quarter of 1930 and reductions have been made in operating expenses, the estimated results for the present quarter do not justify the declaration of a dividend.

Preliminary report of Postal Telegraph & Cable Corp. for year ended December 31, 1930, shows net income of $96,769 after taxes, depreciation and interest, equivalent to 31 cents a share on 305,295 shares (par $100) of 7 per cent preferred stock. This compares with $2,972,671, or $9.74 a share on preferred in 1929. All of company's common stock is owned by International Telephone & Telegraph Corporation. The latter controls the Mackay companies through Postal Telegraph.

Manitoba Will Set-up Strong Power Board

Manitoba will form a hydro-electric power commission similar to the one which has been established in Ontario for many years. At the opening of the present session of the Provincial House, the premier pointed out that it was now desirable to put the province's power utility on an independent administrative basis. To that end legislation will be introduced at the present session, providing for the appointment of a provincial hydro commission, with powers similar to those of Ontario.

Excellent progress has been made by the present Manitoba Power Commission, which has developed the properties up to a point where revenues are now sufficient to meet all requirements.

Has Growing System

Manitoba now owns 935.5 miles of transmission lines, of which 325 miles were constructed last year. Though a number of lines are still to be built, the main network is now established. By the purchase of the Brandon Electric plant at the end of 1930, an important addition was made to the Provincial Hydro and it is expected that there will be a material saving in power costs, when the load at this station is increased.

SEGUIN PLANS ANOTHER UNIT

New Creosoting Plant Will Take Care of Demand

J. J. Seguin Co. have completed plans for the construction of another creosoting plant to consist of a cylinder 8 ft. in diameter 107 ft. long, for the pressure treatment of railroad ties, bridge timber, structural timbers, construction lumber and poles and pilings. This plant will be equipped with the latest apparatus for efficient operation: Rueping tanks, mixing and measuring tanks, compressor for the creation of vacuum, etc.

It will be situated on the large property the company has acquired in St. Lambert, Montreal, adjacent to the plant they completed last year, presently in operation, for the treatment of cedar poles. The equipment of the present plan includes three large open vats of 2,400 cubic ft., capable of treating four carloads of poles at the same time, large storage and working tanks, of a combined capacity of 156,000 gallons of creosote oil, two boilers of 125 h.p. each, centrifugal pumps, recording system, air compressors, locomotive cranes for handling the poles.

The capital of the company has recently been increased from 10,000 shares of no par value to 5,000 shares of preferred stock of $100 each and 10,000 shares of no par value, an increase of $500,000 in the capitalization.

Can. Industries Awards Contract to Anglin-Norcross

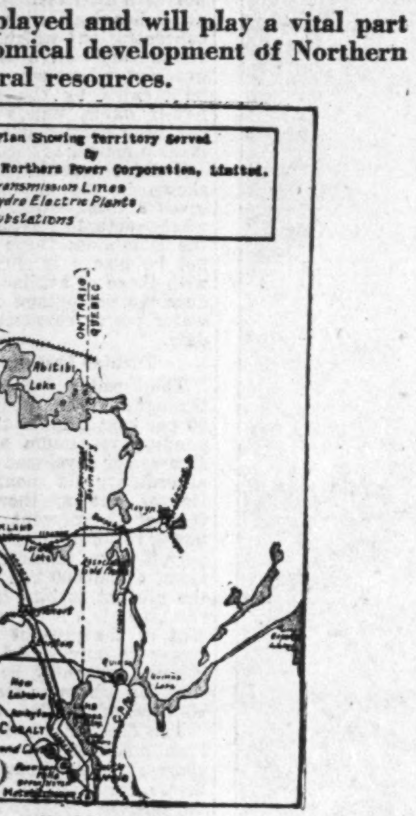
From Our Own Correspondent

MONTREAL.—Contract for erection of the Hamilton superphosphate fertilizer plant of Grasselli Chemical Co., a subsidiary of Canadian Industries Ltd., has been awarded to Anglin-Norcross Ltd. The new plant will be built on a no-bid bulk contract which will amount to about $400,000.

Canadian Industries is already manufacturing superphosphate at New Westminster, B.C., and Beloeil, P.Q. The Hamilton plant will be well located to supply the Ontario market with fertilizer.

Accelerating Canada's Mineral Development

Available hydro-power has played and will play a vital part in the more rapid and economical development of Northern Ontario and Quebec's mineral resources.



Serving the following Mining Fields and Municipalities:
Gold—Timmins, Kirkland Lake, Larder Lake, Matachewan, Boston Creek.
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Earlton
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Silver Centre
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Ville Marie (Que.)
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Enquiries invited and all information promptly furnished.
Ample provision for industrial plants.

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Head Office: NEW LISKEARD, ONTARIO

DUKE-PRICE POWER REPORT REVEALS STEADY PROGRESS

Gross and Net Earnings Show Increases Over Previous Year

MONTREAL.—Gross earnings of Duke-Price Power Co. and net profits after all charges showed increases over figures for 1929. Gross earnings were about $260,000 higher at $4,365,203 while operation expenses were reduced by $39,000 to $502,834.

After addition of other income and provision for depreciation and all interest charges, net profits totalled $592,190, as compared with $30,327 in 1929. Earnings on the capital stock were equal to $2.82 a share as opposed to $1.53 a share in the preceding period.

Profit and Loss Accounts

Following is a comparison of profit and loss accounts for the past three years:

	1930 $	1929 $	1928 $
Gross earn.	4,365,203	4,186,839	3,814,064
Op. exp.	502,834	541,534	364,049
Taxes	226,960	222,661	166,796
Net earn.	3,635,407	3,342,644	3,283,219
Oth. inc.	57,081	95,341	112,541
Total	3,692,488	3,437,985	3,395,760
Deprec.	581,402	574,564	558,611
Bond int.	2,206,776	2,217,106	2,220,000
Oth. int.	312,119	325,989	267,889
Net profit	592,190	320,327	349,260
Prev. bal.	778,118	457,791	108,531
P. & L. bal. ...	1,370,308	778,118	457,791

Current Assets Higher

The balance sheet shows an improvement in that the excess of current liabilities over current assets has been reduced from $1,030,032 to $348,029. Current liabilities amount to $1,665,496 while current assets total $1,317,467.

Current assets show an increase of about $63,000. Cash has increased from 297,980 to $715,556. Securities, on the other hand, have declined from $177,926 to $47,430. Accounts receivable are also lower by about $238,000 at $440,816. Inventories are higher by $13,000 at $113,654.

Reduce Deferred Charges

Deferred charges at $2,025,967 are lower by $74,000, while the company's investment in subsidiaries has been increased by $68,000 to $1,189,667. Fixed assets, less depreciation, are now carried at $59,769,309 as against $59,932,999.

Current liabilities show a substantial reduction amounting to $1,665,496 as opposed to $2,284,692 in 1929. This reduction is chiefly accounted for by the decline in accounts payable which total $1,253,984, a drop of about $518,000. Accrued interest is carried at $411,512, a slightly lower figure than in 1929, reflecting a reduction in funded debt.

During the year $176,000 of bonds were redeemed leaving $40,152,000 outstanding. The 210,000 shares of no par common stock are carried at the same figure of $21,000,000. Surplus has been increased by $592,190 to $1,370,308. Total assets are shown at $64,303,149.

New Issue

$110,000
City of Victoria, B.C.
5% Sinking Fund Gold Bonds

$70,000 due April 1st, 1941. $40,000 due April 1st, 1943. Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg, Edmonton, Vancouver or Victoria. Denominations: $1,000 and $500.

Price: 103 and interest, yielding:
1941 maturity—4.62%
1943 maturity—4.67%
(Plus Transfer Tax)

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London, Ont. Hamilton Ottawa New York London, Eng.

Public Utility Investments

This Corporation has been identified with public utility financing for more than a quarter of a century—having originated or been associated with the distribution of the issues of many of the leading power, light and telephone companies.

We shall be pleased to furnish information and recommendations to investors who are interested in public utility securities.

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BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY

Transportation, light, power and gas service in the coast cities of Vancouver, Victoria and New Westminster and in their vicinities, is supplied by the British Columbia Electric Railway Company.

Unlimited electric power is available at low rates, gas at special industrial rates and innumerable factory sites on tidal water are available on electric railway trackage.

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Head Office-Vancouver, B. C.
W. G. Murrin . . . . . President

BRITISH COLUMBIA ELECTRIC RAILWAY CO. LTD.

GAS INDUSTRIES REACH STABILITY BY ADAPTATION

(Continued from page 17)

schools with which the industry is affiliated, assure a continually expanding field for this product.

Whole Industry Changed

The virility of the gas industry was the theme of a recent speech of Alexander Forward, managing director of the American Gas Association, who stated that if one talks at all about the gas industry, it is necessary to talk about its dynamics. The one outstanding characteristic of the industry today is change. It showed remarkable adaptation when electricity came along and took the lighting load. A few years witnessed the complete transformation from a 100 per cent lighting load to a 94 per cent heating load. Yet the increase of manufactured gas sales during the past ten years has amounted to about 500 per cent. The natural gas output in 1929 was approximately 250 per cent of the output of 1922, seven years before, while the increase in 1929 over 1928 was better than 20 per cent. Mr. Forward continued in part:

"In our time new problems arise; changes in living habits of people, the drift from individual homes to the apartment houses, the habit to travel induced by the automobile, and competition with other fuels, have brought about a halt in the rate of growth in domestic consumption. Increases in output in the last few years have been mainly due to the development of industrial uses and in house heating.

"It is very evident that no industry in our time can continue to exist, much less prosper and grow, unless it adds something substantial to the material comforts and the mental satisfactions of life. That is what the gas industry does.

"The gas industry has at all time shown its adaptability to changing conditions. With the loss of gas lighting, we produced cooking, and with the reduction in the cooking load in the average home we produced other domestic uses and then we went out and adapted gas to thousands of uses in industry, now amounting to 27 per cent of our entire output. The gas industry has another attribute besides adaptability, and that is stability. Our securities are in high favor in the financial markets of the world and the foremost writers about securities who were a few years ago bearish on our business do not hesitate to put us in the front rank of desirable investments today. During the past year of business depression we are one of the few industries of the country holding its own, which is saying a great deal for a time when almost nobody has done anything at all."

Mr. Hewitt Points to Growth

Arthur Hewitt, vice-president of the Consumers' Gas Company of Toronto and a vice-president of the American Gas Association, in commenting on the gas industry in Canada stated that some idea of the expansion of the gas industry in Canada during the past decade may be gained from the figures of the sales of gas to the public. In 1919 the volume of gas sold was 9,275 million cubic feet, whereas in 1929 it was 17,650 million cubic feet, an increase in the period of 90 per cent.

Concurrently with the accomplishment of this growth the gas industry has, by progressive steps, lowered the cost of its service to the public, and having in mind the fact that the unit costs of raw materials and labor are even now 50 per cent, to 110 per cent, greater than those prevailing prior to the Great War, the gas industry is giving its customers today greater value for their money, in volume of gas and quality of service, than ever before.

This situation has not come about as a consequence of the operation of favorable circumstance surrounding the industry, but in a large measure, is the result of many years of persistent effort directed toward refinements in the process of gas manufacture, improvements in the design and methods of distribution, and the development of appliances, which besides being attractive in appearances, are efficient and economical in operation.

New Capital $30,000,000

During the past ten years the amount of new capital invested in the gas industry in Canada is approximately $30,000,000. To this figure should be added the amount spent on modernization and reconstruction of old plant during the same period. Such a large expenditure made on account of works construction and improvement insures that for the most part the gas producing plants and distribution systems now being operated by Canadian gas companies, embrace the efficiencies of modern equipment and methods, and thereby permit the production and distribution of gas with the utmost economy and with consequent advantage to the public.

The steady growth of the manufactured gas industry during the past several decades, the inherent stability of the industry, its adaptability to changing conditions, its present prospects of further growth through the sales of gas for domestic heating, refrigeration and industrial purposes, leads one to view the future of this great industry with the utmost confidence.

Use of Hydro Electricity Lessens Coal Consumption

Development of water power in Canada has had a direct and very great effect in reducing the consumption of coal, and while it is very difficult to assign a precise figure of the coal equivalent of developed water power since the latter is comparative only wherever the consumption is dependent upon the conditions under which the power is developed, nevertheless, taking into account all present conditions surrounding water power development in Canada and comparing them with somewhat similar conditions of fuel development elsewhere, it is reasonable to state that a saving of 5½ tons per annum is capable of being effected by each installed h.p. This means that the total present water power installation of 6,125,012 h.p. is capable of effecting a saving of nearly thirty-three and three-quarter million tons of coal per annum. With the marked economies that are continually taking place in coal consumption in fuel power stations, it is necessary to adjust from time to time the coal equivalent of developed water power, but under existing conditions a figure of 33,700,000 tons is believed to be conservative.

The actual saving in any year depends upon the output from the installation which for the year 1930 is estimated at approximately 20,700,000,000 kw.h. Applying this to a conservative figure of 1.59 pounds of coal per kw.h. (the average coal consumption per kw.h. of all public utility electric power plants in the United States during 1929) indicates an actual coal saving for the year 1930 of 17,500,000 tons of coal.

LOW COST POWER NEED OF INDUSTRY

(Continued from page 17)

domestic and agricultural use. A considerable proportion of the power generated by this installation is sold en bloc for the manufacture of pulp and paper, for the mining and reduction of minerals, and for electro chemical production.

Approximately 9.5 per cent of the total, or 579,826 h.p., is installed in the power plants of pulp and paper mills.

The balance, or 330,850 h.p. is installed in general industrial plants such as mines and mineral reduction works, electro chemical plants, saw, grist and grinding mills, machine shops, municipal pumping plants and for electric railway operation.

A number of factors have contributed to the rapid growth of the central electric station industry, notably the improvement in transmission equipment which provides for economic distribution over distances hitherto considered impracticable, and the growing realization of the economy and utility of the electric drive in industry and the adaptation of electric power to many operations in the household or on the farm formerly performed manually or by the use of internal combustion engines or draught animals.

Canada's central station industry now includes 321 hydraulic stations for each 143 hydraulic turbines totalling 5,214,336 h.p. Of these, 222 stations with a combined installation of 3,803,288 h.p. are privately owned and 99 stations of a combined installation of 1,411,048 h.p. by municipal, provincial or federal organizations.

The second largest group development is credited to the pulp and paper industry, which has obtained record proportions due to the large supplies of growing pulpwood and the availability of waterpower.

The industry itself maintains a hydraulic installation totalling 579,826 h.p., of which over one-half, 296,843 h.p., is connected to electric generators. In addition electrical power to operate electric motor combines of a combined rating of 944,272 h.p. is purchased from central electric stations giving a total electrical utilization by the industry of 1,241,115 h.p., out of the total hydraulic utilization of 1,524,098 h.p.

As already mentioned, large amounts of surplus, seasonal or off-peak electricity are also used by the industry for the production of process or heating steam in electric boilers, but definite figures of the actual amount are not available.

In addition to the central electric station organizations and the pulp and paper industry, certain industrial hydraulic plants generate for their own use and distribute small amounts of electricity to near-by residents. These industries, of course, depend very largely upon the central electric stations, as their own developments are usually inadequate to cope with the demand.

PUBLIC UTILITY STOCKS SECURE CONFIDENCE CANADIAN INVESTORS

(Continued from page 17)

forward and acquired an interest in a Saskatchewan system, which will eventually be linked up with the Alberta system. Taken by and large, however, the distributing companies have tended to concentrate rather than extend operations.

Not so in the wholesale field, however, where developments of an important nature have taken place. Through the introduction of new equipment, better transmission and distribution facilities, etc., producers of power have widened their field of activity. Power is necessary to development and the matter of transmitting energy a hundred, two hundred or even more miles, is today a practical task.

Along these lines one of the outstanding developments of the past two years, has been the contracting for power by the Ontario Hydro-Electric Power Commission from private producers, with plants located on streams in which either Ontario or Quebec or both have authority. Thus the commission has made special contracts for the delivery of power with the Ottawa Valley Power Co., Gatineau Power Co., Ontario Power Service Corp., Maclaren-Quebec Power Co., and Beauharnois Light, Heat and Power Co. Without these contracts, it is doubtful if the developments could be undertaken.

Surplus of Power

A point raised by the rapid increase in installations is whether or not a surplus of power will not develop. Leaders of the industry have publicly stated on different occasions that the demand will exist for the power as it becomes available. On the other hand, it is becoming apparent that some of the larger companies are proceeding more cautiously with new developments.

From a market point of view it would appear that those power companies in the retail field will likely made a better showing over the next decade than those in the wholesale field. With a widening use of electrical appliances and a normal gain in population, it stands to reason that the retailers' revenues should tend steadily upward. While it is true that the use of more energy by industry and domestic consumers will not be without benefit to the producer, there is considered to be a possibility of some of the companies having to carry temporarily a large investment in plant which may not be productive. Similar conditions have existed in the past, but the period of surplus power has been of a very short duration.

The popularity of the power stocks has naturally attracted attention to other divisions of the public utility field. These divisions cover tramways, telephone and gas. The former's securities have not fared well in the Canadian market, due to the unsatisfactory operating conditions and limited earning power.

There are exceptions, of course, such being Montreal Tramways. This company has a co-partnership agreement with the city which has permitted operations on a basis satisfactory to all concerned. Consequently the stock of Montreal Tramways is generally regarded as a sound investment.

Other tramway stocks, however, are not so well regarded. Nearly all have had their periods of prosperity when share earnings were at a high figure and the stock selling at a good premium. The general experience of tramway stocks has not been favorable, however, nor does the immediate future hold out much promise for a revival of interest.

The causes leading up to this situation are many and varied. Briefly may be mentioned the growing and widespread use of the automobile, competition from buses, "jitneys," and, in some instances, onerous burdens placed upon the companies in the days when street railway securities were placed in the "blue chip" category.

Favor Telephone Securities

Remarkable progress has been recorded in another branch of public utilities, namely, telephone communication. Though there are several thousand telephone companies operating in this country, probably 90 per cent or more of the service is handled by seven major organizations, of which three are provincially owned. Of the others there is a direct investment interest in the capital stock of Maritime Telegraph, New Brunswick Telephone and Bell Telephone Co. of Canada, while there is an indirect interest in the B. C. Telephone Co., which is controlled by the Associated Telegraph and Telephone Co.

Under the statutes telephone companies are permitted to adjust their rates so that the return on the capital is equivalent to 8 per cent. This assurance of dividends has attracted investment buying of a good order. Owing to various restrictions, there is not the speculative interest in this class of stock as in power and tramway securities. The regular payment of dividends, with occasional stock rights, has led to investment buying, which in turn has made for stability of market values.

Gas Securities Limited

Gas securities are comparatively unknown in Canada. This has been due to the fact that the distribution of gas is usually associated with the supply of light and power. Thus in Vancouver, Winnipeg, Montreal, Quebec, Saint John, Halifax and elsewhere distribution of gas and electricity rests under one control. There are exceptions, of course, such as Consumers' Gas Co., of Toronto, which operates in the gas field alone, and its securities have had a long and successful record.

Collectively public utility securities have been a good medium of investment. The record of failures compares well with that of other groups. Returns in the way of increased dividends, bonuses, stock splits and market appreciation have been such as to create a wide following among investors. The record of the past and the outlook for the future appears to justify this confidence.

'PHONE FIRMS AIM TO WIDEN TOLL BUSINESS

(Continued from page 17)

their operating rates. In most cases the large private companies operate under control of public utility commissions, or in the case of the Bell Telephone Co., the Board of Railway Commissioners of Canada.

Maritime Telegraph and Telephone Co., the New Brunswick Telephone Co. and the Bell Telephone Co. are allowed to fix their rates on a basis which will enable them to earn a return of 8 per cent on their capital stock. Matters pertaining to rate increases, are brought before the bodies which have jurisprudence over the matter and are dependent on the consent of these bodies.

Plans Work Well

This plan has worked out well. Rates have been maintained at a moderate level while the companies' privilege to earn a fixed rate on their shares has been a strengthening factor in the viewing of their stocks from an investment angle.

Public relations of telephone companies in Canada are maintained on a satisfactory basis. Much progress has been made along these lines in recent years and there has been a tendency to keep shareholders and the public alike informed regarding operations.

Is Valuable Factor

Sound public relations is of inestimable value to these companies for from time to time they must go to the public for additional funds with which to finance expansion. Thus the past has witnessed the issuance of rights to shareholders to purchase new stock at favorable levels to provide funds for additions to equipment.

Telephones are today a concomitant of business activity. The wide strides made in discovering new fields in telephony have opened up regular communication, by means of hook-ups with wireless, with all parts of the world. Now a call to England from Canada is as easy an undertaking as any other long distance call to a neighboring city, while ship-and-shore and rail-phone communication has been placed on a practical basis.

Power Usage Keeps Up With New Installations

Growth in utilization of hydro-electric energy has kept step with the growth of hydro-electric installation. In other words, the output from new installations has been steadily absorbed. From the figures in the last column of the table below, which shows the relationship of kw.h. output to installed horsepower, it will be noted that there was a falling off in 1921, 1925 and 1930. The recession in 1921 was due chiefly to depressed business conditions and the same reason may be ascribed to the drop in 1930, although in this year there was an increase in the total output in kw.h. which was not the case in 1921. In 1925 the recession was due to the very large increase in installed capacity during that year, which, however, was soon absorbed in subsequent years.

	Installation, Central Electric Stations H.P.	Output in Kw. Hrs. in thousands	Kw. Hr. Output per installed H.P.
1920	1,754,130	5,730,304	3,268
1921	1,826,357	5,447,582	2,982
1922	2,112,289	6,570,091	3,112
1923	2,282,547	7,936,148	3,475
1924	2,707,957	9,159,038	3,382
1925	3,416,018	9,941,604	2,910
1926	3,609,385	11,911,039	3,300
1927	3,975,012	14,346,450	3,609
1928	4,445,531	16,105,705	3,623
1929	(1) 4,817,486	(1) 17,700,000	(1) 3,674
1930	(1) 5,214,336	(1) 17,926,000	(1) 3,438

(1) Provisional figures.

CENTRAL STATIONS INCREASE OUTPUT IN DIFFICULT YEAR

(Continued from page 17)

age of water affected production in 1929; new installations and new projects should tend to offset a recurrence of this situation in the future.

A feature of electric power output in Canada in 1930 was the increase in exports. In 1930 Canada exported 1,619,622 thousands of kw.h. as compared with 1,444,402 in 1929, or an increase of 175,220 thousands of kw.h. Since the increase in total production amounted to 192,245 thousands of kw.h. it will be seen that the gain in 1930 was due almost entirely to the increase in power exports.

Central Stations Dominate

The steadily increasing proportion of new hydraulic installation developed by central electric organizations has resulted in that industry operating 5,214,336 horsepower or over 85.1 per cent of Canada's total hydraulic development.

A number of factors have contributed to this continued growth, notably the improvement in transmission equipment, which gives economic distribution over the distances hitherto considered impracticable, the growing realization of the economy of electric drive in industry and the adaptation of electric power to many operations in the household or on the farm formerly by hand or by the use of internal combustion engines.

Includes 321 Stations

Canada's central electric station industry now includes 321 hydraulic stations with 843 hydraulic turbines having a total output of 5,214,336 horsepower. Of these 222 stations, with a combined installation of 3,803,228 horsepower, are owned by commercial organizations and 99 stations, of combined installation of 1,411,408 horsepower, by municipal organizations. The latter includes provincial commissions or other federal or provincial organizations.

TRACTION FUTURE REMAINS CLOUDY BECAUSE OF AUTO

(Continued from page 17)

tax burden, but as yet it cannot be said that the problems are solved. In Barcelona, Spain, the company has freed itself of the problem of operating the trams. In Winnipeg declining revenues of the street railway system have handicapped the Winnipeg Electric Co.

A better condition prevails in Brazil, where the private automobile has not become a serious menace and where the company has been expanding its power activities rapidly. In British Columbia, the compactness of the cities served and the freedom from severe winter problems, have been factors in maintaining earnings of the street railway system, which is owned by the great and growing British Columbia Power Corp.

Montreal Tramways Co. is probably the most fortunately situated of surface systems on this continent. Population is reaching the point where subways may be profitable. Streets are so narrow that the use of the private automobile for transportation to and from business is less than in other cities of comparable size; it is possible that the per capita ownership of automobiles among wage earners is less. Montreal Trams, moreover, has a contract with the city that is similar in some respects with the special charter of Consumers' Gas Co., of Toronto, whereby earnings are assured which will leave something for the common shareholders. Out of earnings, company is entitled to 6 per cent of capital value; 6 per cent on working capital; a certain amount to be set up against future financing expenses; and 20 per cent of surplus. Of the surplus in any year, 30 per cent goes to the city and 50 per cent to the tolls reduction fund.

Investment Future Cloudy

On the whole, street railway securities cannot be considered promising investments under present conditions. There are, occasionally, special circumstances which alter the outlook, as in Montreal, but until the trend is away from the use of the private automobile for transportation within a city's gates, the fundamental causes which have contributed to the decline in street railway revenues for the last fifteen or twenty years will not have been removed.

Relief from taxation and the reduction in operating expenses are but palliatives and the latter in some instances—when it takes the form of reduction in service—is apt to aggravate the competition of the automobile.

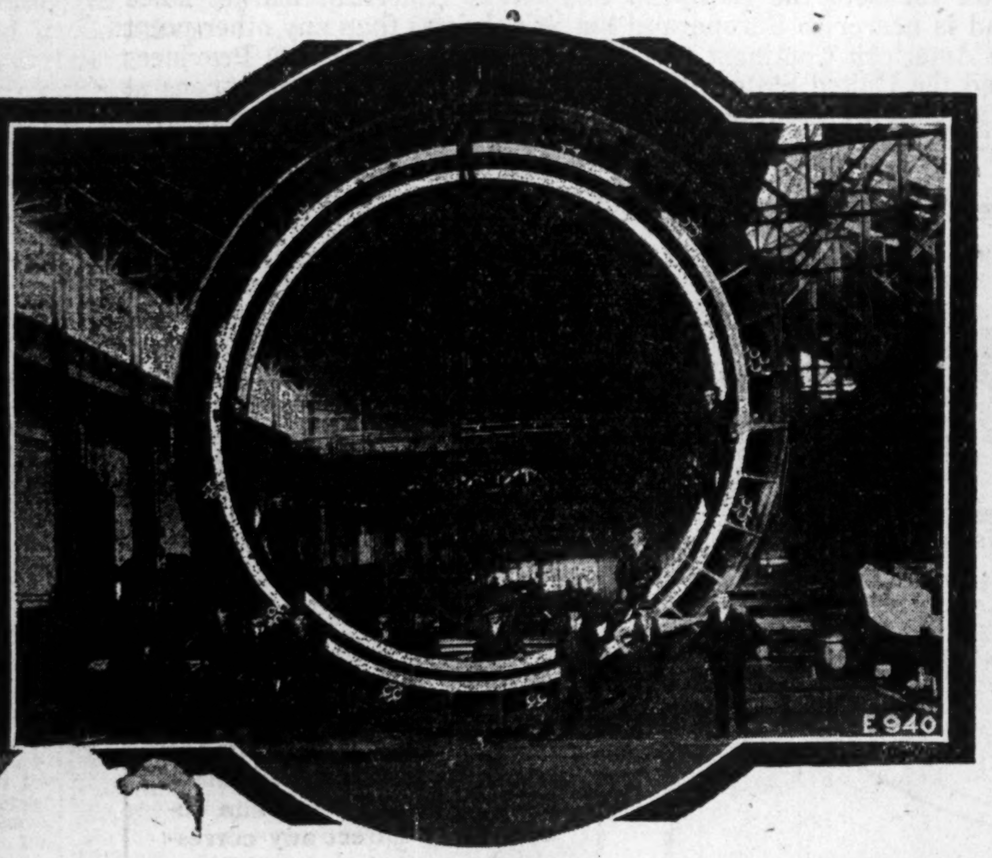
B. C. Electric Gas Appliance Sales Down in January

From Our Own Correspondent

MONTREAL. — British Columbia Electric Railway gas appliance sales in January, 1931, were valued at $7,005 and had an estimated annual revenue of $3,978. This compares with sales of $15,908 with an estimated revenue of $6,808 in the same month last year.

Sales of electric appliances in January, 1931, showed an increase at 2,273 as compared with 1,210 in January, 1930. Equivalent in kilowatt connected, however, was 649 kw. as compared with 685 kw. in January, 1930. Estimated annual revenue was $4,406 as opposed to $4,499.

For Beauharnois . . .



Dominion Turbines chosen for Canada's most ambitious Power Development

This illustration shows part of the 27-foot speed ring of one of the 53,000 horse-power turbines now under construction in our plant. It will serve to give some conception of the magnitude of the machinery going into this development.

Associate Companies:—
I. P. Morris & de la Vergne, Inc., Philadelphia.
Pelton Water Wheel Co., San Francisco.

DOMINION ENGINEERING Works Limited
MONTREAL CANADA

Left—Modern long distance telephone lines enclosed in cable.

Below—Repeater station at London, housing apparatus to revive voice-currents on long haul talks.

Simple, Inexpensive, Speedy

In Ontario and Quebec 70,600 long distance telephone messages originate in the average day — outgoing calls!

And then there is the great daily volume of incoming messages from other provinces, the United States and across the sea.

It is the work of the Bell Telephone Company of Canada to enable friends, families and business associates to speak clearly and immediately with one another, wherever they may be.

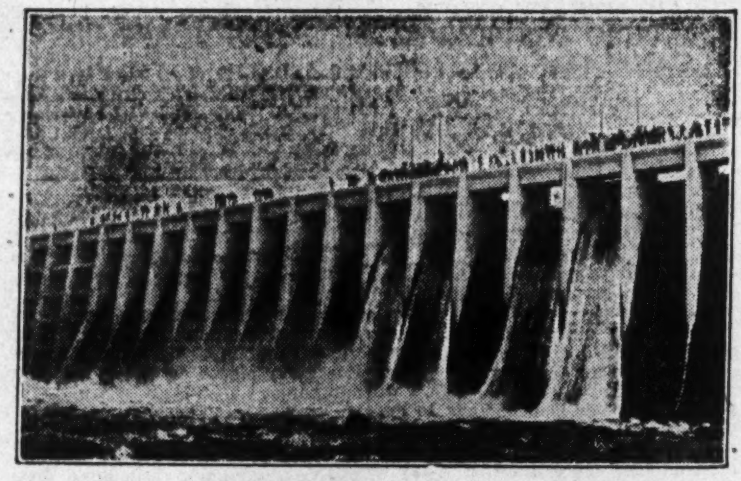
Mechanical improvements have followed each other in rapid succession. The quality of transmission ensures perfect reproduction of the spoken word over almost any distance.

Operating methods have kept pace with mechanical progress. Eighty-seven per cent of long distance calls are now handled while you remain at the telephone.

Business men are using long distance more and more — to buy, to sell and to keep up contacts. "Key Town Selling" by telephone saves time for both parties, covers territories more frequently, builds goodwill and carries on the business of the country at lower expense.

Long Distance calls are easy to make, inexpensive and speedy. The reason for the great growth of the service lies in the satisfaction one finds in face to face conversation — your message and the answer on the spot.

"Every Bell Telephone is a Long Distance Station."



Water power in Newfoundland.

NEWFOUNDLAND

AND

LABRADOR

—large scale water-power for new industries
—unique advantages for world manufacturing

VIRTUALLY every water-course on the Island of Newfoundland has at least one or two power sites, and it is a notable fact that many if not most of these are adjacent to the great bays that dot the coast, rendering them peculiarly available for any industry that is looking for a world-wide market by water-borne freight.

There is scarcely a section of the country that is not provided with ample and readily available water power resources. The reason for this is that the highlands of the interior form a natural water-shed that distributes the streams to every coast. Due to the rocky formation, that erodes slowly, these waterways flow to the sea through steep and narrow beds, offering ideal conditions for power developments.

No complete survey of power resources has been made because no such need has arisen with the known power sites being ample to meet the present or prospective demands for years to come. On the larger river systems—the Exploits, the Gander and the Terra Nova on the north and east, Humber on the west and Bay d'Est on the south (where pulp and paper developments have focused attention on them) there is approximately 500,000 available h.p. This represents only the better known streams. Beyond these are immense potential power resources.

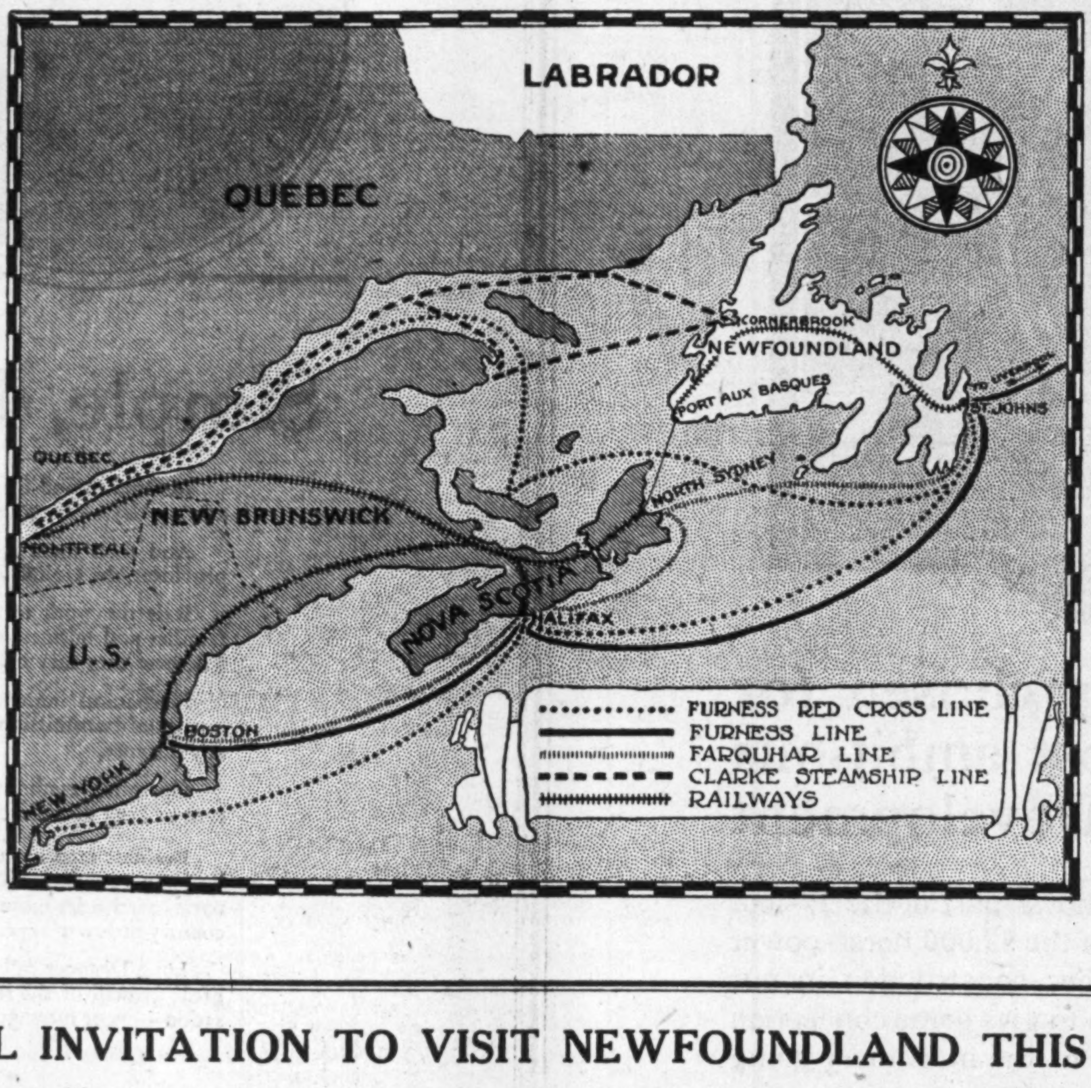
And Newfoundland is not only fortunate in possessing useful water-power in great abundance but also in having ample natural resources to give that power profitable employment. Probably nowhere else in the world in a similar area is such a substantial and widely distributed supply of power closely adjacent to natural resources of such great potential value.

The spectacular development of the great pulp and paper industry on the Island which has taken place in very recent years has been due largely to the happy conjunction of large stands of pulp and timber with ample water power. The accessibility of this latent electric power was one of the large determining factors in bringing the industries to the country. The availability of cheap power has been a great factor also in opening up the vast mineral resources of the country. Already the Wabana iron deposits of the island at Conception Bay are among the most extensive and economically important in the world. It is the same factor of cheap power that is operating to bring about still other great mining undertakings on the Island.

There is a wealth of raw material in Newfoundland—minerals, coals, iron, copper, and forest resources which are virtually inexhaustible and so varied in character that almost any manufacturing need might be met. The fishery resources are the greatest in the world, and after 400 years of extensive fishing there has been no diminution of supply. They well may be deemed inexhaustible. There is ample room here for the development of the canning and preserving industry, fish, oil and fertilizer industries. But in addition to these advantages of power and raw materials there is a further important advantage of geographical location, making Newfoundland a preferred distributional centre for both the European and North American market since Newfoundland is nearer to Europe and the British Isles than any other point on the North American Continent and also is close to the Eastern Provinces of Canada and the United States. The St. Lawrence River likewise opens at its door and gives low-cost water-borne access to the populous central regions of both countries.

The economic importance of such advantages is beginning to be realized more fully. Both Newfoundland and Labrador hold unusual opportunities for industry. The same factors which make for economical distribution of finished products from Newfoundland also make possible the bringing of raw products to Newfoundland for fabrication. This assures the Ancient Colony of substantial industrial development as more people appreciate the facts.

The map on the right indicates the steamship services serving Newfoundland, for the information of prospective visitors, as well as illustrating in striking fashion its geographical position in relation to important markets.



The Government stands ready to give all legitimate enterprises the maximum co-operation. Direct any correspondence on any matter relating to either Newfoundland or Labrador, to The Government Offices, St. John's, Newfoundland.

A SPECIAL INVITATION TO VISIT NEWFOUNDLAND THIS SUMMER

To many people the possibilities and opportunities presented by Newfoundland are only dimly appreciated To such as these the Government issues a special invitation to come and visit Newfoundland this summer in order that these opportunities may be judged at first hand. Newfoundland may be reached by direct steamer from Liverpool or Boston or New York or Halifax, further there is a direct service from North Sydney, Nova Scotia, augmented in the summer months by steamer connections at Montreal. All of these services are of such a quality to make travelling a pleasure. Newfoundland offers to the visitor a new vacation land off the beaten track where any type of entertainment can be found from the most modern hotels to the real unspoiled wilderness camp. The majestic beauty of the rugged coast is only matched by the exquisite loveliness of the river valleys. Here, too, is a veritable paradise for the sportsman. The whole centre of the island is one immense game preserve and sport, both fishing and shooting is to be found almost everywhere. A visit to Newfoundland will prove a delightful experience and will open your eyes to the vast possibilities to be found on every hand.

POWER CORP. OF CANADA

Controlled and Affiliated Companies Report Further Demand for Services—Interim Report Indicates Gain in Revenue for Half Year Period

Power Corporation of Canada is one of the largest holding and operating public utility companies in Canada. Through control, or close affiliation, it has an interest in power plants operating in Quebec, Ontario, Manitoba, and British Columbia. Over and above, that, it has extensive stock holdings in Canadian and foreign public utilities.

At present the company controls through stock ownership East Kootenay Power, Northern British Columbia Power and Canada Northern Power. It also holds a substantial stock interest in British Columbia Power Corp., Winnipeg Electric, Foreign Power Securities, Southern Canada Power, and Montreal Island Power. Through Winnipeg Electric, Power Corp. has an interest in Manitoba Power and Northern Power.

Power properties controlled by the company, in which it holds a substantial interest, have an ultimate capacity of 2,156,590 h.p., of which about 800,000 h.p. is installed. A population of upward of 1,500,000 is served.

Over $30,000,000 Invested

At the end of its last fiscal year, namely, June 30, 1930, Power Corp. had investments of $30,119,964. Over 75 per cent of the company's investments are in Canadian companies. United States claim 16.10 per cent; foreign (excluding U.S.) 7 per cent, and 1.20 per cent in invested in securities in the British Empire, excluding Canada.

During October, the company placed the common stock on a regular annual dvidend basis of $2 a share. Heretofore the company had paid interim dividends. An initial dividend of $1 was paid in December, 1928. A similar payment was made in the following year and an interim dividend of $1 a share was paid in July, 1930. A bonus of 5 common shares for every 100 held was paid in September, 1929.

Current Revenue Higher

Revenue of Power Corp. in the first six months of its current fiscal year to December 31 last showed a slight improvement as compared with the same period a year ago. Gross earnings from dividends and interest, management and engineering fees, amounted to $1,385,618. This compares with $1,340,200 in the first half of the last fiscal year.

Net revenue after deduction of operating expenses, taxes, etc., was $1,173,500 as compared with $1,100,100. These figures do not include profits from sale of securities. In November it was stated that since the end of the last year—June 30, 1930—the company had liquidated $2,500,000 of its investments at a profit.

A point bearing upon the company's present position is that loans to subsidiaries have been reduced by about $3,500,000 and bank loans also have been lowered. Advances to affiliated companies were consolidated with common stock holdings of affiliated companies in the last annual report and totalled $18,920,122.

Enter New Field

An interesting development in this company's operations, is the entry in the engineering and allied fields in a big way. In British Columbia the engineering staff have in hand the design and construction of various projects for Northern British Columbia Power and B. C. Power Corp. In Quebec work is being done for Montreal Island Power Co. and Southern Canada Power.

In Manitoba, Power Corporation's engineers, in co-operation with the engineering staff of Northwestern Power Co., are designing and supervising the construction of the Seven Sisters power development. The staff is also co-operating with the Northern Ontario Power Co. in its development work. Another development in which Power Corporation's engineers are active as consultants on design and construction is the Chats Falls power development, which is being jointly developed for Ottawa Valley Power Co. and the Ontario Hydro Electric Power Commission.

Security Values Interest

No details are available as to the investment portfolio of the company. It is known that many of the securities held by Power Corp. have depreciated in value since the end of the last fiscal year. At that time, however, the company was reported to be carrying its securities at less than market value. Just how much depreciation has taken place in the value of holdings, will not become known until publication of the financial statement for the year ended June 30 next.

Capitalization—	Authorized	Outstanding
1st Pref. 6% cum. Par $100.	$5,000,000	$5,000,000
2nd Pref. 6% non-cum. Par $50.	5,000,000	5,000,000
Common n.p.v.	1,000,000 sh.	445,806 sh.

Common—Initial interim dividend of $1 was paid Dec. 20, 1928, $1 paid Dec. 20, 1929. A bonus of 5 common shares for every 100 shares held was paid Sept. 15, 1929.

Funded Debt—

Convert. debentures, 5%, Series "A," due 1957, outstanding	$2,673,700
Series "B" 4½%, due 1959, outstanding	$10,000,000

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1930 $	1929 $
Revenue	2,784,681	1,947,590
Prof. from sale of sec.	†918,231	1,364,514
	3,702,912	3,312,104
Less: Expenses	363,919	308,929
Interest	731,747	400,589
Taxes	128,288	156,757
Net profit	2,478,958	2,445,829
Less appropriations:		
Disc. on deb. w/o	......	550,000
1st pref. div.	300,000	300,000
2nd pref. div.	300,000	*380,000
Com. div.	890,573	394,842
Surplus for year	988,385	820,987
Add: Prev. surplus	2,502,919	1,681,932
Bal. carr. forward	3,491,304	2,502,919

*Includes $80,000 stock bonus.
†After providing an investment reserve of $2,000,000.

	1930	1929
Times All Bond Int. Earned:	5.06	8.27
Earnings per Share and Dividend Record:		
First Pref.: Earned	$49.58	$37.92
Paid	6.00	6.00
Second Pref.: Earn.†	21..79	15.96
Earned‡	3.99	3.22
Paid	3.00	3.00
Common: Earned†	4.21	$3.07
Earned‡	3.99	3.22
Paid	2.00	1.00

Market Record:

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Preferred	102	98	105	93	103	92
Common	55¾	50⅜	90	50	139¾	68

*To March 2.

B. C. POWER CORP.

Installation of Additional Turbines Minimizes Possibility of Future Shortage of Power—Continued Progress Recorded by Companies in Many Departments

(Large Interest Held by Power Corp.)

Operations of British Columbia Power Corp., a holding company for the British Columbia Electric Railway and numerous subsidiaries, were affected early last year by a water shortage on the Pacific Coast, which limited the amount of power available and had an effect upon expenses.

In order to eliminate future possible shortages of power, the company has had under way for some time a programme of expansion covering the construction of new power plants and involving an outlay of several million dollars.

During the fiscal year ended June 30, 1930, the company spent $9,375,000 on betterments and extensions of plant, of which about four-fifths was on the Ruskin and Bridge River developments.

Plant Work Progresses

The first 47,000 h.p. unit of the Ruskin development came into operation late last year. Ultimately this plant will have a capacity of 188,000 h.p., representing an expenditure of approximately $20,000,000.

Work is still proceeding on the Bridge River development, but this will not come into service for some little time. Another power development in prospect is that on the Campbell River site on Vancouver Island, upon which the company's engineers are now engaged in the preliminary work.

B. C. Power now has 110,436 electric customers, who used 351,047,572 kw.h. last year. This is a growth of nearly 5,000 in the number of consumers and about 8,000,000 kw.h. in consumption over the preceding year.

While the principal activity of B. C. Power centres around power production and distribution, it is also actively engaged in the operation of tramway and gas distribution systems. The company holds the tramway franchise in Vancouver and suburban districts. Last year it extended its gas main in the Vancouver district so that it now owns 539 miles of mains, serving 48,307 consumers, who in the last fiscal year used 1,263,048,000 cu. ft.

Monthly earnings statement would indicate that the company's earning power is back on a normal basis. During the seven months ended January, 1931, gross earnings amounted to $8,674,380, an increase of $68,593 over the corresponding period of the preceding year. Net returns are on a much better basis, however, for the company has been successful in making a substantial reduction in its operating expenses. For the seven months' period ended January last, net income amounted to $3,973,840, a gain of $466,975 over the same period in the preceding year.

The outlook for this company is generally regarded as being favorable. The area served has come ahead fast in the past few years. Through franchises B. C. Power has control of the major utility business in British Columbia. There are reasons for expecting that the territory will continue to expand, and that the demand for public utility services will increase from year to year.

Capitalization—	Authorized	Outstanding
Class "A" ($2)	1,500,000 shs.	1,000,000 shs.
Class "B"	1,500,000 shs.	1,000,000 shs.

No par value.

Funded Debt—
1st refund coll. trust S. F. bonds, series "A", 5½'s, due 1960. Issued and outstanding $10,000,000.

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1930 $	1929 $
Gross revenue	15,434,341	14,681,263
Less:		
Operating expenses	7,491,559	7,304,414
Power purchased and expenses	810,676	......
Taxes (see table below)	965,169	934,985
Depr. and renewals	1,877,030	1,825,468
Net revenue	4,289,907	4,616,396
Less:		
Int. on funded debt divs. on pref. stocks of sub. com.	2,101,713	1,983,416
Class "A" pref. divs.	2,000,000	2,000,000
Surplus for year	188,194	632,980
Add:		
Capital and surpluses as at May 19, 1928	65,365,765	65,365,765
Prev. surplus	837,763	*204,783
Bal. carried forward	66,391,722	66,203,528

*Represents balance after interest, depreciation and dividends for the period from May 19 to June 30, 1928.

	1930	1929
Times Interest* Earn.:	2.04	2.33

*On funded debt and dividends of preference stocks of subsidiary companies, after all charges.

Earn. per Sh. and Div. Record:

	1930	1929
Class "A": Earned	$2.19	$2.63
Paid	2.00	2.00
Class "B": Earned	0.19	0.63
None paid.		

Market Record:

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Class "A"	42⅛	34¼	45½	32	60	35
Class "B"	18	11½	26½	10½	40	18

*To March 2.

B. C. ELECTRIC RAILWAY
(Controlled by British Columbia Power Corporation)

Capitalization—	Authorized	Outstanding
Cum. perpetual pref. 5%	£1,440,000	£1,440,000
Non-cum. pref. ordinary 5%	1,440,000	1,440,000
Deferred ord. 7% non-cum.	1,440,000	1,440,000
Ordinary Par £1.	2,000,000	966,103

Funded Debt—

Van. Pr. perp. guar. deb. stock, 4¼%	£1,500,000
Debentures 4½% Van. Pr.	32,500
Perp. Cons. deb. stock, 4¼%	2,788,170
Debenture stock, 5%, 1944 (income tax free)	770,000

Earnings—

Seven Mos. ended January 31:	1931 $	1930 $	Inc. %
Gross earn.	8,674,379	8,605,786	0.80
Oper. exp.	5,590,635	5,980,548	*6.52
Net earn.	3,083,744	2,625,238	17.47

*Decrease.

B. C. ELECTRIC POWER & GAS
(Controlled by B. C. Electric Railway)

	Authorized	Issued
Preferred 6% cum. Par $100.	$5,000,000	$5,000,000
Common Par $1.	20,000,000	*15,248,012

*Entirely owned by parent company.

VANCOUVER POWER CO.
(Controlled by British Columbia Electric Power & Gas Co., a unit of the British Columbia Power Corp.)

Capitalization—
The entire $9,500,000 of capital stock of the company is owned by the British Columbia Electric Power & Gas Co., having been acquired by that company in 1926 from the British Columbia Electric Railway, Limited, in return for common stock of B. C. Electric Power & Gas Co.

Funded Debt—
The funded debt of the company is guaranteed by the British Columbia Electric Railway Co. For details see under funded debt of British Columbia Electric Railway.

WESTERN POWER
(Controlled by the Vancouver Power Co., a unit in the B. C. Power Corp.)

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$5,000,000
Preferred	5,000,000	850,000

Par $100. The Vancouver Power Co. owns 99.7% of the entire preferred and common stock outstanding.

Funded Debt—		
1st mtg., 5% due 1949	$5,000,000	$4,115,000
5% Deb. due 1960	$4,000,000	$4,000,000

EAST KOOTENAY POWER

Revenue Declines Moderately as Area's Activity Lessens

Controlled by Power Corp.

East Kootenay Power Co. earnings during the eight months ended November 30 last showed a decline of 8.90 per cent in gross and 5.40 per cent in net as compared with the corresponding period of 1929. This showing is attributed to the slackening of operations in the coal mines of the Crow's Nest Pass. It is also to be expected that retail business in Fernie, Cranbrook, Elko, Bow River and other points served has lessened.

At present physical properties of East Kootenay Power include three plants with a capacity of 37,200 h.p., of which 15,000 h.p. is generated by fuel. The distribution system covers 250 miles of transmission lines, interconnection being available between the company and the Calgary Power Co.

Excess Current Liabilities

The financial statement of East Kootenay for the year ended March 31, 1930, indicates that its position could be strengthened. There was an excess of current liabilities over current assets of $1,705,681, or nearly one-third of the total assets. It is understood that heavy payments are owing to Power Corporation of Canada. While the income account shows a satisfactory increase in revenue, the management has not yet written off a suitable sum for depreciation. No charge has been made on this account since 1927, when $40,450 was appropriated.

According to recent information, Power Corp. of Canada controls 17,863 shares of the 30,000 shares of no par value common stock outstanding. Public investment interest lies in an issue of $1,000,000 of preferred and a funded debt of $2,192,000. Of the latter Power Corp. owns $68,000.

Capitalization—	Authorized	Outstanding
Common (No par value).	50,000 shs.	30,000 shs.
Pref. 7% (Par $100).	$5,000,000	$ 1,000,000

Funded Debt—

First gold 7 per cent, series "A," due 1942	$1,892,000
7 per cent bonds, series "B," due 1942	300,000

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1930 $	1929 $
Gross earnings	585,730	498,755
Less expenses:		
Power pur.	1,446	......
Operation	162,845	120,686
Taxes	20,619	19,027
Maintenance	45,970	35,127
	230,880	174,840
Net earnings	354,850	323,915
Less: Int. charges	252,030	211,465
Prem. on pref. w/o	......	19,849
Prqv. for inc. tax	......	6,500
Net profit	102,820	86,101
Less appropriations:		
Pref. dividends	70,000	70,000
Surplus for year	32,820	16,101
Add: Previous surplus	32,326	16,225
Bal. carr. forward	65,146	32,326
Times Interest Earned:		
After depreciation	1.41	1.53
Earnings Per Share and Dividend Record:		
Preferred: Earned	$10.28	$8.61
Paid	7.00	7.00
Common: Earned	1.09	0.54
None paid.		

*Includes taxes.

Earnings for Nine Mos. ended December 31:	1931 $	1930 $	Inc. %
Gross earn.	410,453	445,619	*7.89
Oper. exp.	132,522	157,685	*15.96
Net earn.	277,931	287,934	*3.47

*Decrease.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Preferred	97	94⅝	97	86	103	90
Common	..	..	25	18	27	24½

*To March 2.

NORTHWEST. POWER

Work Well Advanced on Installation of Three Units

Controlled by Winnipeg Electric

Northwestern Power Co., a subsidiary of Winnipeg Electric, is proceeding on schedule with the development of the Seven Sisters power site on the Winnipeg River. According to plans the company will construct a plant with an ultimate installation of six units of 37,500 h.p. each, initial installation comprising three units. These three units, operating under a partial head for a time, are scheduled to come into operation this year with a production of about 40,000 h.p.

Other plans of the company for this year, aside from work on the powersite, including an outlay of $300,000 for a terminal and substation in Winnipeg. Power will be delivered to this point over a steel tower transmission line 63 miles long.

The major share of the output of the Seven Sisters plant has been contracted for by Winnipeg Electric.

Northern B. C. Power

Controlled by Power Corp.

During November last Northern British Columbia Power Co. brought into operation a new hydro-electric power plant of 6,000 h.p. capacity, located about 35 miles from Prince Rupert. Prior to the opening of this plant, the 2,500 customers living in Prince Rupert, were served from a hydro-electric plant of somewhat limited capacity at Woodworth Lake, and from a 2,000 h.p. steam plant. The latter units are now being used as stand-by stations.

Northern British Columbia Power is a fully owned subsidiary of Power Corp. of Canada, all finances being taken care of by that company.

Quebec Butter Output Gains

The report of butter and cheese production in Quebec Province during 1930 shows an increase in the butter output of 4,577,688 pounds and a decrease in cheese of 1,283,736 pounds as compared with 1929. The butter output totalled 62,146,851 and that of cheese 33,874,035 pounds. The number of cows supplying the raw material for these products was 699,722 in 1930, this number being 37,696 more than the year before.

CANADA NORTHERN POWER

Renewed Activity in Gold Mining Has Beneficial Effect—Raise Common Stock Dividend—Issue Bonds and Customer Stock

Controlled by Power Corp. of Canada

Over the past twelve months, several changes took place affecting the position of Canada Northern Power Corp. controlled by Power Corporation of Canada. From the shareholders point of view, the most important development was the increase in the dividends on the common stock from 60 to 80 cents a share. The new rate going into effect on April 15 this year.

While the financial statement for 1930 is not available, monthly interim in parts, would indicate that earning power was on approximately the same basis as in 1929. For the eleven months period, ended November last, net operating income totalled $1,980,329 which compares with $1,991,050 for the same period in the preceding year. Share earnings in 1929 were equivalent to 71 cents on the common stock. Whether the income statement for 1930 will show an increase in this figure depends upon miscellaneous revenue and the manner in which the company can cut down operating expenses and maintenance charges.

Demand Grows Steadily

Recent reports would indicate that there has been an improved demand, more especially from the mining industry. About 70 per cent of the corporation's power load is absorbed by the gold mines which operating 24 hours a day, give the company a favorable load factor.

In order to have adequate reserves to meet the growing demand for power in the territory served by the company, a new plant, at the Upper Notch on the Montreal River, started operations last October. This plant has a capacity of 13,000 h.p. which brings the aggregate installment of all plants up over 100,000.

Issued More Bonds

To take care of the capital expenditure on this plant and for other corporate purposes, the company issued an additional $2,000,000 of 5 per cent collateral trust bonds. This brought the funded debt of the company up to $17,000,000, while the capital stock covers $5,500,000 of preferred and 375,000 shares of no par value common.

Prior to the bond issue, the company launched its third customer ownership campaign at the end of September. As a result of this campaign, 5,059 shares were sold to 1,762 customers. The sale did not increase the outstanding preferred, the shares already being issued and privately held.

Capitalization—	Authorized	Outstanding
Common, 80c. No par value.	500,000 shs.	375,000 shs.
Cum. pref. 7% Par $100.	$7,500,000	$5,500,000

Funded Debt—

Collateral trust 5 per cent bonds series "A," due 1953	$17,000,000

NORTHERN ONTARIO POWER

Funded Debt—
Northern Canada Power, 6 per cent deb. notes, due 1953, issued $2,250,000. Issued in favor of Canada Northern Power.
Northern Ontario Light & Power, 6 per cent deb. notes, due 1953, issued $5,000,000. Issued in favor of Canada Northern Power.
Northern Ont. Light & Power 6 per cent deb. notes due 1963, issued $515,000. Issued in favor of Can. Northern Power.

(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Common, $2 No par value.	500,000 shs.	190,000 shs.
Pref. 6% Par $100.	$2,500,000	$2,400,000

Company is an amalgamation of Northern Canada Power Co. and Northern Ontario Light & Power Co.

GREAT NORTHERN POWER
(Controlled by Canada Northern Power)

Capitalization—	Authorized	Outstanding
Capital stock No par value.	12,500 shs	12,500 shs.

Canada Northern Power Co. controls through stock ownership.

Funded Debt—

Deb. notes, 6%, due 1953	$1,100,000

All owned by Canada Northern Power Corp., and pledged under its 5 per cent collateral trust bonds, series "A."

NORTHERN QUEBEC POWER COMPANY

Capitalization— (Controlled by Canada Northern Power)	Authorized	Outstanding
Stock No par value.	20,000 shs.	20,000 shs.

Stock control held by Northern Canada Power.

Funded Debt—
Par $100.

1st mortgage 6 per cent bonds series "A," due 1945	$2,650,000
6 per cent deb. notes, due 1953	2,350,000

CAN. NORTHERN POWER
INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1929 $	1928 $
Electric revenue	2,959,663	2,894,420
Misc. revenue†	156,934	194,109
Gross earnings	3,116,597	3,088,529
Operating exp.	522,965	474,044
Maintenance	118,861	134,171
Taxes	296,351	281,576
Net earnings	2,178,420	2,198,737
Less: Interest	820,018	787,034
Depreciation	600,000	58,767
Bad debts	12,143	1,485
Net profit	746,259	851,451
Less: Preferred divs.	468,677	456,827
Common divs.	124,610	21,774
Minority int. in surp.	115	3
Surplus for year	152,957	372,846
Add: Prev. surplus	*1,200,719	*817,614
Balance forward	1,353,676	1,190,460

*Adjusted.
†Includes compressed air and telephone gross earnings, pulp and merchandise net profits and earnings from investments, etc. (Telephone department sold Feb. 28, 1928).

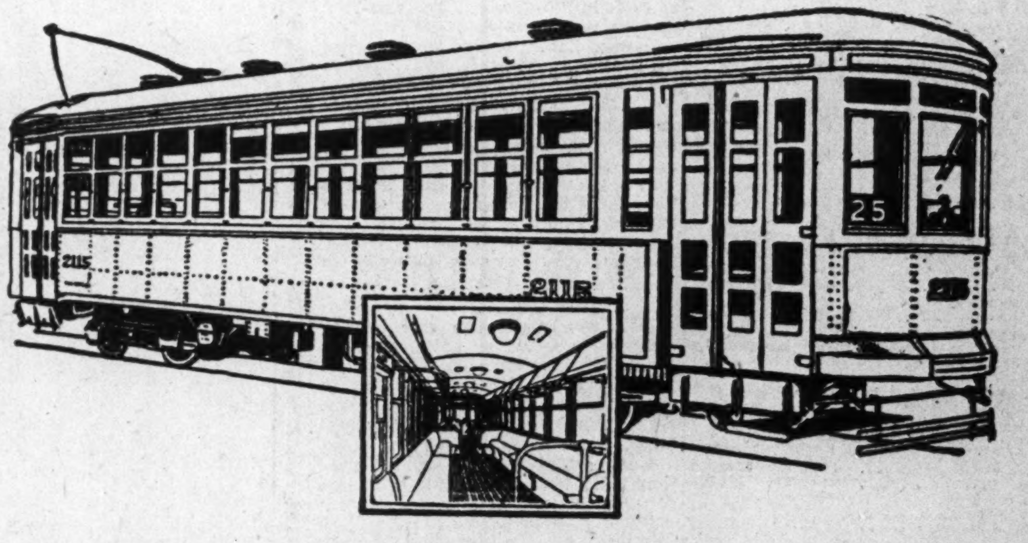
Earnings—
12 mos. end. Oct. 31, 1930 ..... $2,098,084

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Pref.	106¼	104	107	99	110	100
Com.	17	15	21	14	35	17

*To March 2.

There is no more sound public utility investment on this Continent than that of the Montreal Tramways Company



Mass Mobility

for Montreal's millions

Mass mobility is a vital essential for the growth of a great city. It is the factor which keeps the population flexible, yet cohesive.

The Montreal Tramways Company has ever been a pioneer partner in Montreal's growth—increasing its facilities in advance of requirements—maintaining efficient mobility between business and residential areas—expanding the city's frontiers as population grew.

In 1860, when the Montreal Tramways' parent company was born, Montreal's population was 90,000. Today, Greater Montreal's population is 1,356,459. In its mass mobility of these millions, the Montreal Tramways Company is an efficient and faithful servant.

The Montreal Tramways Company is a partner with Montreal in a dual sense.

First, through its provision of an alert and progressive tramways and auto bus service.

The L-shaped physical layout of Montreal, formed by "Mount Royal," with the business activity converging in a localized downtown area creates two characteristics influencing tramways transportation. There is the tremendous traffic density at peak hours and the wide use of transfers.

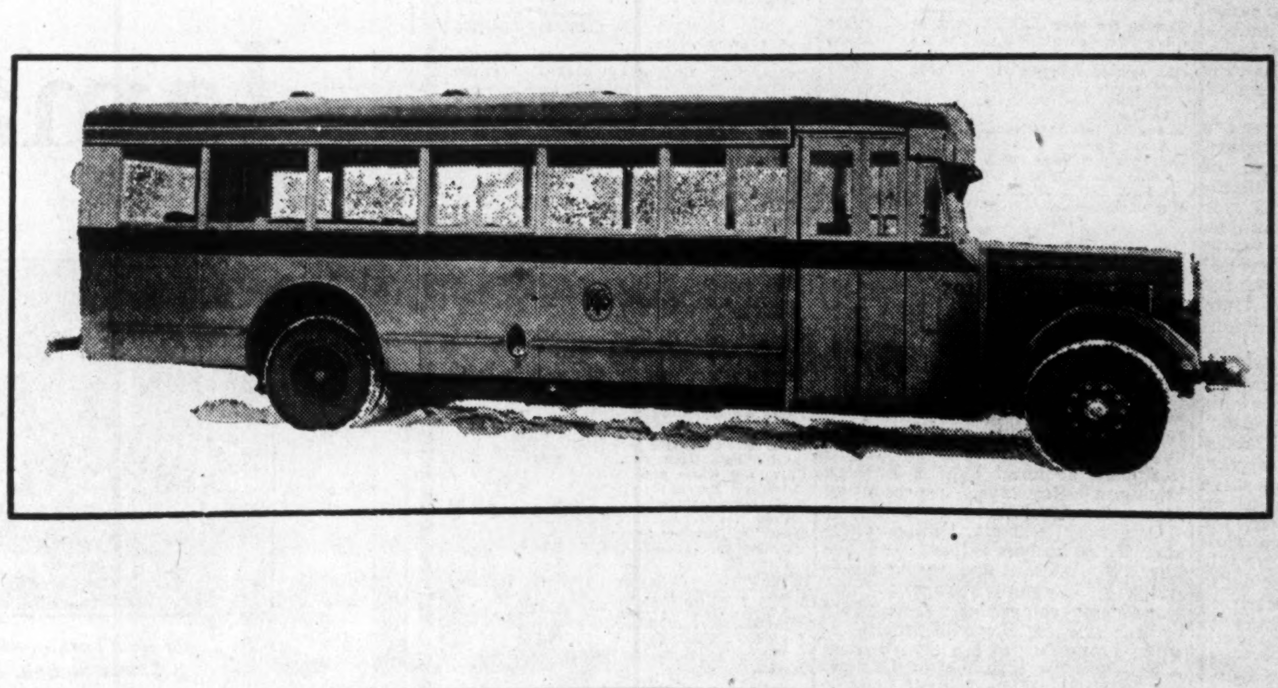
That the problem of traffic density is adequately met is evidenced by the fact that at peak hours 80 per cent of the city's entire population is efficiently transported in more than 1,000 street cars and over 100 auto buses.

Transfer passengers are carried anywhere throughout the Montreal Tramways service without additional charge. In 1930, 330,592,912 passengers were transported by street cars, including transfers; 25,555,673 by auto bus — a total of 356,148,585.

Secondly, the Montreal Tramways Company's partnership with Montreal is further evidenced because of its co-operative "Service at Cost" contract with the City of Montreal.

This contract is an assurance alike to the City, the company, to the public, and to investors, that the interests of all will be mutually and justly safeguarded — unhampered by restrictive and prejudicial policies.

MONTREAL
TRAMWAYS
COMPANY



WINNIPEG ELECTRIC

Position Affected by Unsatisfactory Situation Surrounding Tramway Operations—Dividend is Omitted—Attempt to Purchase Municipal Power System

Conditions surrounding Winnipeg Electric Co. over the past twelve months have been generally unsatisfactory. The troubles centre around the operation of an unprofitable tramways system and competition from the publicly owned power system.

The tramways system is the principal bugbear of the company at the moment. Franchises owned by the company include that for Winnipeg until 1932 and St. Boniface until 1943. Under the terms of the contract with the city, any change in the franchise has to be made twelve months before the expiration date, namely February 8, or the franchise automatically renews for a period of five years. The city has the right to take over the property on terms fairly advantageous to the company.

Tramways Lose Money

For some time past earnings on the tramways system have been inadequate, largely due to heavy operating expenses. The company has asked the city for higher fares, relief from taxation and lower maintenance and construction costs, the latter including snow removal. At different times during the past year new rate schedules have been carried out without satisfactory results.

Though both Winnipeg Electric and Winnipeg civic authorities are agreed that something must be done to relieve the financial burden of the tramways system, no action has been taken to remedy the situation.

Seek Public System

Competition from the publicly owned power system is not nearly so baffling a situation as the problem of the tramways system. There would be many advantages in consolidating all the utility operations in Winnipeg, and to that end an offer was made to the city by Nesbitt, Thomson and Co., fiscal agents for the company, to take over the municipal system at a price of $30,000,000. This proposal was turned down.

At present properties owned directly, or through subsidiaries, include power plants, gas plant, and tramways system. The installed capacity of the hydro-electric plants totalled 215,000 h.p., while another plant is under construction which, when completed, will have an ultimate capacity of 225,000 h.p. It is apparent that in so far as power requirements are concerned, Winnipeg Electric will have sufficient reserves to take care of its needs for many years to come. The company also owns a gas plant with a daily capacity of 6,500,000 cu. ft., while the electric railway operates over 185 miles.

Revenue Affects Dividends

During the twelve months ended December last, the company reported an aggregate gross revenue of $6,259,461 as compared with $6,635,237 in the preceding year. Net income for the past calendar year totalled $2,053,138, compared with $2,362,919 in 1929.

As a result of the decline in earnings and the uncertainty in respect to the tramways system, the management considered it advisable to defer making any further payment of dividends on the common stock. At the same time similar action was taken by its subsidiary, Manitoba Power Co. Unless there is a marked change in respect to the tramways system operations, there does not appear to be any immediate likelihood of a resumption of dividends.

Capitalization—	Authorized	Outstanding
Pref. 7%	$5,000,000	$5,000,000
Pref. 6%	$5,000,000	None
Par $100.		
Common	600,000 shs.	229,483 shs.
No par value.		

Common dividend was passed Feb. 1, 1931.

Funded Debt—

Winnipeg Electric 5 per cent refund. mtge. bonds, due 1954, outstanding $4,380,000. 6 per cent refund. bonds, due 1954, $7,000,000.

Winnipeg Electric Rly. 5 per cent 1st refund. mtge. bonds, due 1935, outstanding, $5,000,000.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Common	20	14	54	13¾	109½	45
Preferred	81½	72	104¼	80	112	94

*To March 2.

SUBURBAN RAPID TRANSIT
(Entirely owned by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	$100,000	$100,000
Par $100.		

All owned by Winnipeg Electric.

Funded Debt—

1st mtge. bonds, 5 per cent, due 1938, issued, $500,000. Guaranteed by Winnipeg Electric.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929	1928
Gross earnings	$321,500	$308,927
Less: Oper. exp.	277,282	259,196
Net earnings	44,218	49,731
Less: Int. charges	62,470	56,040
Deficit for year	$18,252	$6,309

WINNIPEG, SELKIRK & LAKE WPG.
(Entirely owned by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	$490,000	$490,000
Par $100.		
Preferred	10,000	10,000
Par $10.		

All of the $490,000 common is owned by Winnipeg Electric Co.

Funded Debt—

1st mtge. bonds, 5 per cent, due 1933, outstanding $50,000.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929	1928
Gross earnings	$260,261	$269,368
Less: Oper. exp.	189,351	181,504
Net earnings	70,910	87,864
Less: Charges	66,732	91,841
Surplus for year	$4,178	*$3,977

*Deficit.

NORTHWESTERN POWER
(Controlled by Winnipeg Electric)

Capitalization—	Authorized	Outstanding
Common	250,000 shs.	250,000 shs.
No par value.		
Pref. 6%	$1,000,000	$1,000,000
Par $100.		

The entire issue of the 6 per cent non-cumulative preferred stock and 88 per cent of the common stock is held by Winnipeg Electric Company.

Funded Debt—

1st mtge. bonds, series "A," 6 per cent, due 1960, outstanding $10,000,000.

WINNIPEG ELECTRIC
INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1929	1928	1927	1926	1925	1924
	$	$	$	$	$	$
Gross earn. from oper.	6,415,540	6,076,639	5,868,142	5,566,034	5,211,665	5,128,324
Less: Operating expenses	4,068,892	3,922,131	3,661,708	3,408,550	3,301,904	3,379,497
Net earnings from oper.	2,346,648	2,154,508	2,206,434	2,157,484	1,909,761	1,748,827
Add: Miscel. income	469,092	387,702	291,853	111,721	157,604	139,186
Gross income	2,815,740	2,542,210	2,498,287	2,269,205	2,067,365	1,888,013
Less:						
Depreciation	488,416	201,050	201,050	201,050	201,050	201,050
Bond and loan interest	930,079	909,479	937,159	915,962	872,914	700,463
Ext. of disc. on securities	......	......	32,379	30,253	26,765	19,726
City percent. and license	172,348	169,607	167,818	168,344	154,237	159,597
Taxes	198,690	189,646	178,268	170,551	163,966	155,512
Non-operating taxes	1,756	1,903	2,437	2,678	3,031	3,322
Other income deductions	54,956	52,551	29,019	28,298	28,848	29,033
Additional depreciation	......	250,420	217,823	187,538	173,000	165,000
Net profits	969,495	767,554	732,334	569,531	447,554	454,310
Less appropriations:						
Balance power contract	......	......	......	......	......	279,692
Preferred dividends	349,944	339,345	280,279	210,000	210,000	210,000
Common dividends	429,483	300,000	220,000	220,000	220,000	110,000
Deferred charges	......	......	......	58,355	158,955	1,814,890
Sinking fund reserve	74,760	77,500	80,000	73,100	73,100	......
Surplus for year	115,308	50,709	151,975	8,076	†214,501	†1,960,272
Add: Previous surplus‡	281,760	323,665	216,805	334,752	594,788	2,516,514
Balance carried forward	397,068	374,374	368,780	342,828	380,287	556,242

‡Adjusted. †Deficit.

Times Interest Earned:						
After depreciation†	2.50	2.30	2.22	2.05	1.94	2.17

†Including additional depreciation.

Earnings Per Share and Dividend Record:						
Preferred:						
Earned	$19.39	$15.38	$17.67	$18.96	$14.92	$15.14
Paid	7.00	7.00	7.00	7.00	7.00	7.00
Common:						
Earned*	2.70	2.85	3.02	3.18	2.16	2.22
Paid	2.00	2.00	2.00	2.00	2.00	...

*Before allowing for sinking fund reserve which the company treats as an appropriation after preferred and common dividends.

MANITOBA POWER

Water Shortage Cuts Into Earnings — Dividend Omitted

Controlled by Winnipeg Electric

Operations and earnings of Manitoba Power Co. over the past year have been affected by water shortage, but it is expected that returns for the full year will compare favorably with those reported during 1929.

Control of this company lies in the hands of Winnipeg Electric. Prior to October, 1929, that latter owned approximately three-fifths of the outstanding stock. An offer was then made to minority shareholders, giving them the right to exchange their stock for that of Winnipeg Electric, on a share for share basis. Consequently Winnipeg Electric secured a further 29,483 shares or 80.32 per cent of the total.

Operations of Manitoba Power are confined to wholesale production. The total output is disposed of through five or six channels. Winnipeg Electric has contracted for power supply until 1943; Manitoba Paper for a period of ten years; Central Manitoba Mines for several years; and the City of Winnipeg for 80,000 h.p. in 1931 and for five years thereafter, at which time it diminishes 10,000 h.p. per year.

Interest in this company is limited, except in so far as operations affect the parent company. In this connection Manitoba Power ordinarily provides Winnipeg Electric with a substantial income each year. Due to temporary power shortage caused by low water conditions on the Winnipeg River, however, the company passed the common dividends of $1 ordinarily payable February 1 last. This in turn limits the income of Winnipeg Electric to the extent of $1 on each share of its stock holdings.

Capitalization—	Authorized	Outstanding
Common	200,000 shs.	*150,000 shs.
No par value.		

*Winnipeg Electric owns over 80 per cent of the stock.

In 1929 minority shareholders of Manitoba Power Co., were offered an exchange of common shares of Winnipeg Electric on a share for share basis.

Dividend passed Feb. 1, 1931.

Funded Debt—

1st mtge. 5½ per cent bonds, series "A," due 1951, outstanding $10,000,000; 1st mtge. 5½ per cent series "B," due 1952, outstanding, $1,500,000.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929	1928
	$	$
Gross earnings	1,302,445	1,218,257
Less: Oper. exp.	240,218	175,609
Net oper. revenue	1,062,232	1,042,638
Add: Misc. income	16,449	77,468
Total net earn.	1,078,681	1,120,126
Less: Int. on fund. debt	632,500	628,250
Int. on unfund. debt	11,531	2,660
Taxes	61,818	56,242
Depreciation	80,000	......
Other inc. deductions	8,114	34,367
Net profit	284,718	398,607
Less: Dividends	300,000	374,637
Surplus for year	*15,282	23,970
Add: Prev. surplus†	36,214	48,989
Bal. carried forward	20,932	72,959

*Deficit.
†Adjusted.

Times All Interest Earned:		
After deprec.	1.55	...
Earnings per Share and Div. Record:		
Common: Earned	$1.90	$2.65
Paid	2.00	2.50

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Common	..	..	36	20	105	40

*To March 2.

Detroit United Railways

There has been no material change in the position of the Detroit United Railways, which was placed in receivership six years ago. In 1928 a reorganization plan was placed in operation whereby Detroit properties were acquired by the Eastern Michigan Railways, representing former bondholders.

Originally Detroit United operated the suburban railway and bus lines out of Detroit and, through subsidiaries, various bus lines and amusement companies. Ten years ago the company disposed of its Canadian properties to the Hydro-Electric Power Commission of Ontario and in 1922 sold its Detroit lines to that city, which now operates them under the Department of Street Railways.

WINNIPEG HYDRO REPORTS REVEAL STRONG POSITION

Steady Growth in Use of Current and Number of Consumers

An interesting event in the history of the hydro-electric system owned by the City of Winnipeg is that the city council recently rejected an offer of $30,000,000 from the Nesbitt, Thomson & Co. interests. If the offer had been accepted there would have been a merger of the Winnipeg Electric Co. and the city system.

There now is duplication of equipment and competition, but owing to the business management of the city system as well as to the attitude of the private company, relations are ordinarily amicable and wasteful competition is, to a large extent, averted.

Report Due Soon

While the report of the city system for the last calendar year will not be available for a week or two, it can be confidently expected that the balance sheet will be a satisfactory one, with little or no impairment of cash position as a result of the business depression, and some further progress made in extensions.

As at December 31, 1929, the Winnipeg Hydro reported gross assets of $30,950,149. Of this amount, $28,303,607 was in capital assets and $2,646,541 in cash assets. With current liabilities of $1,177,481, the system was in the fortunate position of having a working capital in excess of $1,500,000, of which a substantial portion was in cash.

Capital liabilities, including funded debt, accrued interest, etc., totalled $21,351,800. Reserves set up for depreciation, sinking fund and contingent and insurance were substantial; these, with the revenue surplus of $651,761, totalled $8,420,868.

J. G. Glassco, manager, remarks in his report that with the addition of $300,000, the contingent reserve now stands at $800,000. Out of surplus the Hydro contributed $100,000 to the land sales tax reserve.

Total energy generated increased some 11 per cent to 450,000,000 kilowatt hours. Average consumption has increased more rapidly than population, owing to the increased use of electricity in homes. Total electric customers have increased to 80,000. The steam-heating division is being extended. The Slave Falls plant, expected to be completed in the current year, will render unnecessary the purchase of power from private interests. The hydro is paying, out of revenue, the interest during construction of this work. The total investment was nearly $1,000,000 at the date of the 1929 report.

Mr. Glassco reminds the taxpayers that the Hydro continues to buy all of its coal from Alberta. This costs slightly more than coal from the United States sources but, in his opinion, it is worth while thus to contribute to Canadian industry. Moreover, he notes that, immediately prior to the report, the quality of the Alberta coal was improving.

INTER. UTILITIES

Following upon the sale of the company's operating units, International Utilities Corporation's assets now consist of security holdings in different enterprises, giving it the form of a utility stockholding company.

During the past year, International Utilities sold all of its holdings of Kentucky Securities Corporation common and preferred stock of the Middle West Utilities Co. for cash and a minority interest in the common stock of Consolidated Coach Corporation.

Another step taken during the year was the formation of Utility Share Holdings Corp., and the transfer to that corporation of all of the company's holdings in its electric light and power and natural gas subsidiaries in Alberta, Saskatchewan and British Columbia, and received in return all of the common stock of the Utility Share Holdings Corp.

Sold to Dominion Gas

Utility Share Holdings Corp. then sold all its holdings in these operating companies to Dominion Gas and Electric Co., which in turn is controlled by American Commonwealths Power Corp. and American Utilities and General Corp.

Payments received by International Utilities under these two contracts have been used to liquidate indebtedness and for investment.

Assets Total $28,400,000

An audited balance sheet as at September 30, 1930, showed total assets of $28,422,610. Marketable securities were carried at a cost of $7,946,901, while $15,206,195 represents balance due on contracts of sale of Kentucky and Canadian properties, less reserve of $305,000 for unadjusted items. These balances have since been paid into the company. Another $3,850,175 represented securities acquired or to be acquired in connection with contract of sale from the two properties.

Capitalization—	Authorized	Outstanding
Class "A" $3.50	500,000 shs.	189,775 shs.
No par value.		
Class "B" stk.	1,000,000 shs.	*666,168 shs.
No par value.		
Preferred 7%	100,000 shs.	86,939 shs.
No par value.		

*There are also outstanding 292,000 warrants entitling the holders to purchase Class "B" stock.

Funded Debt—

None.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929	1928
	$	$
Gross earnings	8,712,141	5,978,369
Less: Oper. exp. maint. & taxes	5,003,624	3,159,640
Net earn. from oper.	3,708,517	2,818,729
Less: Bond int. and disc. exp.	695,430	699,423
Other int. charges	299,847	72,295
Depreciation	791,352	538,622
Amortization		
	1,921,888	1,508,389
Less proport. applic. to minority stocks:		
Preferred	454,308	393,720
Common	67,096	41,282
Net profit from oper.	1,400,484	1,073,387
Add: Profits from sale of invest.	......	971,092
Less: Loss on sale of invest.	7,032	......
Consolidated net inc. for year	1,393,452	2,044,479
Less: Prop. prior to acquisition	40,187	9,704
	1,353,265	2,034,775
Less appropriations:		
Preferred dividends	260,113	265,849
Class "A" dividends	664,227	661,220
Surplus for year	428,925	1,107,706
Add: Prev. surp. (earn., donated, paid-in)	1,372,808	1,098,190
	1,801,733	2,205,896
Add: Pref. div. received from Can. sub. accr. at date of acquis. (less taxes)	......	78,941
Adjustment	10,163	......
Less: Loss on sale of invest. and claim in Buffalo & Erie Ry. Co.	382,172	912,029
Surp. paid in, earned and donated	1,429,724	1,372,808
Net worth of subs. stocks at date of acquis. over cost	4,411,345	4,224,003
	5,841,069	5,596,811

Times All Interest and Bond Discount Earned:	1929	1928
After deprec., depletion and amortization	2.93	2.95
Earn. per share and Dividend Record:		
Preferred: Earned	$36.42	$53.29
Paid	7.00	7.00
Class "A" common:		
Earned	5.76	9.32
Earned‡	3.50	4.02
Paid	3.50	3.50
Class "B" common:		
Earned	0.64	1.66
Earned‡	0.64	1.52
Paid	...	...

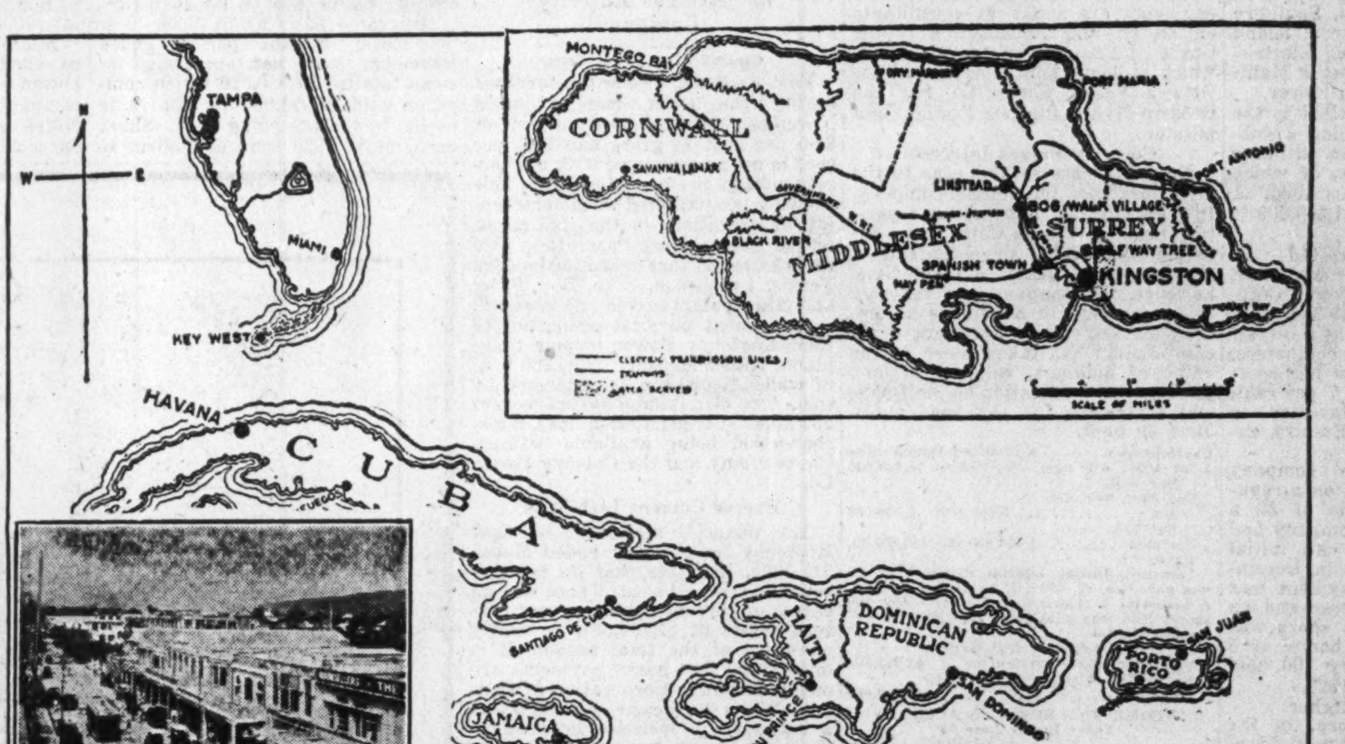
‡Under participating feature provisions.

Market Record—

	*1931 H	L	1930 H	L	1929 H	L
Class "A"	45	38	51	30	50	29
Class "B"	11	5¾	19½	4½	22½	6

*To Mar. 2.

IMPRESSIVE GROWTH OF LIGHT AND POWER BUSINESS IN JAMAICA, B. W. I.



Map showing Jamaica in relation to the West Indies, and the area served by Jamaica Public Service Limited.

OPERATING SUBSIDIARIES OF JAMAICA PUBLIC SERVICE LIMITED IN JAMAICA, B. W I. SHOW PROGRESSIVE RECORD OF EARNINGS AND OFFER OPPORTUNITY OF AN INCREASINGLY PROFITABLE INVESTMENT.

The stability and growth of this utilities' business and net earnings may be seen in the following table:

Year	Gross Earnings	Net Earnings	Year	Gross Earnings	Net Earnings
1908	$217,410	$118,326	1919	$383,664	$154,767
1909	236,065	113,885	1920	490,180	151,288
1910	240,066	122,637	1921	536,866	185,376
1911	263,108	122,014	1922	541,032	181,431
1912	261,080	116,956	1924	579,055	186,651
1913	284,841	128,584	1925	625,275	236,114
1914	288,924	125,369	1926	652,104	255,387
1915	274,317	123,540	1927	694,160	284,993
1916	286,321	134,370	1928	697,876	282,371
1917	287,210	120,112	1929	767,316	320,339
1918	294,724	131,603	1930	833,853	339,300

CAPITALIZATION

Jamaica Public Service Limited

No Bonded Indebtedness
Stock: Capital Without Par Value

Outstanding	45,000 shares
Unissued	15,000 "
Authorized	60,000 "

Jamaica Public Service Co. Ltd.

Bonds: First Mortgage 5's (Series "B")	$2,000,000
Preference Stock:	
Preference 7% Cumulative	$ 750,000
Preference "B" 7% Cumulative	250,000
	$1,000,000

Jamaica Public Service Limited, a Canadian company owns all of the common shares of Jamaica Public Service Company, Limited, a public utility organized and operating in the Island of Jamaica, British West Indies, which does the entire electric lighting and power business for an estimated population of 116,100 within the territorial limits of the Corporation of Kingston and St. Andrew and the Parish of St. Catherine. It also operates the electric tramway system in Kingston and St. Andrew.

Through a wholly owned subsidiary, St. James Utilities Limited, the entire electric lighting and power business is also conducted together with the ice business in Montego Bay, a seaport on the Northwest Coast and popular winter resort of 7,000 population. Also, the entire electric lighting and power business in Port Antonio, a shipping port on the Northeastern end of the Island, which is likewise an attractive winter resort.

Kingston is an enterprising seaport on the South side of the Island. It is the social and commercial centre of the Colony, the seat of the Government and the Military forces are stationed there.

The past year has been one of progress and increased earnings for the Subsidiary operating companies. Light and power net earnings increased over 12% which, in view of the universally depressed condition of business, is satisfactory. The improvement in earnings has been secured through new customers added and larger sales of energy to existing customers. The Company has been aggressive in developing new sources of revenue. This is particularly exemplified in the development of irrigation pumping from driven wells.

Downward revision of the general rate structure, together with improvement of the promotional features thereof, has been of real assistance in securing new business, primarily for residential uses of energy and irrigation pumping service.

A new 2,000 Kw. turbine with auxiliaries and a new boiler, together with the necessary equipment for changing the entire steam station in Kingston to oil burning with resultant increase in economy of operation, have been installed.

$937,500 of 6½% First Mortgage Bonds due 1943 have been refunded by the sale of $2,000,000 of 5% First Mortgage Series "B" Bonds due 1950, thus placing the Company in a strong financial position. Dividends at the rate of $1.00 a share are now being paid on the capital stock of the Canadian Company. The agricultural businesses on the Island have been further developed during 1930. Banana exports have been of record volume; shipments of other products, principally citrus fruits, have also improved in volume. Through adequate transportation facilities provided by new ships of the Canadian National Steamship's fleet and Jamaica Direct Fruit Line, together with participation in the Empire Marketing Board, further progress will accrue from the new Canadian and other British business. The beautiful new Constant Spring Hotel and adjoining golf course was recently opened, by Canada-West Indies Hotels Company, outside of Kingston. Concerted effort is being expended in continuing to promote the very real advantages of Jamaica as a tropical resort by an active tourist bureau and each year an increasing number of people visit the Island.

Jamaica Public Service
Limited

New 2,000 kw. Turbine-Generator at Gold St. Steam Station, Kingston.

New 2,500 barrel fuel oil storage tank, Gold St. Steam Station, Kingston.

Oil burning boilers, Gold St. Steam Station, Kingston.

CONSUMERS GAS CO.

Toronto Company Ranks Among Leaders in Whole Industry—Progress Consistent Over Many Years Despite Competition and Enmity of Politicians

Consumers' Gas Co. of Toronto is an example of a conservatively financed and excellently managed privately owned utility which has been able to grow and prosper throughout a period of rapid expansion of a publicly owned hydro-electric system which is directly competitive in domestic service.

The gas company originally was an illumination project; electricity now is alone in that field. Gas then became almost the sole fuel for cooking purposes in homes; under the low rates prevailing in Toronto, electricity has become a formidable competitor. Gas is an important fuel in industry. It is being used to a greater extent in the heating of homes, in furnaces as well as for supplementary heating.

Is Standard Investment

Stock of Consumers' Gas Co. of Toronto, is a standard Canadian investment. There are more than 4,000 individuals, the majority of them residents in the area served, who own the $13,250,000 of stock of $100 par value per share. The maximum rate of dividend, 10 per cent, permitted by the charter, has been paid uninterruptedly since 1874. The charter permits rates for gas which will give sufficient revenue to pay this dividend, after all operating expenses and depreciation. Under the sound management which always has prevailed, this permission is a virtual guarantee so long as Toronto grows. The result of these conditions is that the stock normally sells in the same basis as high-grade utility bonds, the fluctuations being in accordance with the fluctuations in the demand for money.

Incorporated by a special act of the legislature as long ago as 1848 and numerous amendments thereafter, with the City of Toronto a shareholder and the mayor ex-officio a director, the company and its activities are continually under the scrutiny of politicians who often, it is believed, are actuated by motives of personal advancement, rather than zeal for the public welfare. Two years ago, the Ontario Government, at the instance of the city authorities, directed that future issues of capital of Consumers' Gas Co. be offered by tender or auction and the allocation of new stock to former shareholders on a pro rata basis at a fixed price was prohibited. There has been one issue of stock to the amount of $1,250,000, by tender, the company obtaining an average price of $188 per share. This meant that the company was getting its new capital at a cost of 5.3 per cent, exclusive of expenses of advertising, etc.

It is probable that, if the issue had been made in the more usual form of "rights" to shareholders, the cost to the company would have been about 5¾ to 6 per cent, according to the price decided on by the directors. But it is contended that there are other considerations. It is understood that the company did not add any new shareholders in Toronto or in Canada as a result of the tender and that the issue, instead of being spread over a large number of shareholders, went largely to an outside interest.

So long as the company is prohibited from selling new stock by allotment to shareholders, the investment is one to be viewed purely from the point of view of security and income. In former times, the stock was a more active trader, as occasionally it ascended to well above the $200 mark in anticipation of the issuance of rights. If rights normally were to be expected it might be that the issue, as sound as any utility stock anywhere, would sell to yield a much lower rate, which would enable the company to issue new stock to existing shareholders on a basis as favorable as that which is possible by tender or auction. The latter methods invariably tend to place large blocks of stock in a few hands.

Would Extend Area

Another contentious point between the company and the city relates to the desire of the company to serve districts outside the corporate limits of the city. The company has had permission since 1853 to distribute gas in York township. This year the company is seeking permission to extend its lines westward to Port Credit and eastward to Pickering. It already is at New Toronto and Scarboro. City authorities contend that extensions into new territory are not profitable to the company and that the losses sustained postpone further the day when the company may reduce the cost of gas to the customers within the city.

Prices Are Regulated

After provision has been made out of annual revenues for plant maintenance and renewals and dividends, the surplus remaining goes into a special fund which, when it reaches a sum equal to five cents per thousand cubic feet on the quantity of gas sold in the previous year, the price of gas shall be reduced for the then current year, at least five cents per thousand. Likewise, a deficiency after all these provisions would result in an increase in the price of gas, but such a deficiency is not expected unless the cost of fuel should rise precipitately, as happened during the war.

The contention of the company's officials, with regard to the extensions beyond the city limits, is that it is in the interest of the civic community and of customers of the gas company that these districts which are normally considered part of metropolitan area should be served by the gas company located in Toronto. It is contended that the recent effort of the Hamilton company to get a franchise for a district as close as Port Credit was not in Toronto's interest.

More important than this, from the point of view of the consumer of gas in Toronto, is the fact that, beyond the initial stage when an extension may not be profitable, the service to outside communities is of advantage to the company and its consumers within the city. As soon as any extension becomes self-supporting it bears its share of the general overhead of the company and, the greater the gross business, the smaller the overhead charge per thousand of cubic feet.

It is pointed out that Consumers Gas extensions within the city limits seldom pay from the beginning. The date of an extension becoming profitable depends on the development of a district. The possibility of the proposed Port Credit extension becoming profitable from the start lies in the fact that one or two large potential users of gas for industrial purposes are in the area for which a franchise is sought.

The supplementary letters patent will be dealt with in the present session of the Ontario legislature. It is understood that the facts have been placed before Premier Henry, who has reserved his decision.

The company in the last few years has been especially active in developing the retail merchandising division. Stoves, ranges, heating equipment and other gas appliances have been developed as a result of the company's suggestions to manufacturers—suggestions made as a result of the company's contact with users. In 1930 a year of depressed business, total sales for this department were $458,000, compared with the peak of $518,000 achieved in 1929. The company also is active in advertising its residual products—coke, and annual sales of this commodity now are approaching the $1,500,000 mark.

It should be noted that the profits in the operation of these departments go into the general revenue of the company and thus are applicable to the special surplus for the reduction in the price of gas as well as for the general purpose of the company.

Growth is Rapid

Progress of Consumers' Gas Co. of Toronto has been especially marked in the last ten years. In that time, miles of mains have increased by 50 per cent to 955 miles. Population per meter has decreased from 5 to 4; total number of meters is up from 122,000 to 169,000. Per capita consumption is up from 8,445 to 9,207 cubic feet; gross production of gas is up from 5,127,827 thousand cubic feet to 6,452,360 thousand cubic feet.

Physical plant and equipment are maintained in a high state of efficiency and the whole enterprise is said to compare favorably with similar enterprises in Britain and Continental Europe, where the manufactured gas industry has been developed to a higher degree than is generally the case on this continent.

Capitalization	Authorized	Outstanding
Com. 10% $100 par	$25,000,000	$13,250,000
Funded debt—None.		

Market Record—	*1931	1930	1929
High	186	193	196
Low	180¾	175	174

* To March 2.

INCOME AND SURPLUS ACCOUNT, YEARS ENDED SEPTEMBER 30

	1930	1929	1928	1927	1926	1925
	$	$	$	$	$	$
Gross earnings:						
Gas sales	6,037,443	5,869,928	5,642,558	5,426,100	5,300,016	5,079,433
Residuals produced	1,442,924	1,453,852	1,360,697	1,274,332	1,359,894	1,183,709
Merchandise sold	458,372	518,833	433,851	378,877	327,165	348,625
Misc. revenue	13,963	15,854	11,409	14,443	12,325	11,579
Total gross earnings	7,952,702	7,858,467	7,448,516	7,093,752	6,999,399	6,623,346
Less: Prod., distrib. & admin. exp. & taxes	5,733,930	5,686,913	5,355,635	5,276,567	5,187,916	5,072,422
Net earn. from oper.	2,218,772	2,171,554	2,092,881	1,817,185	1,811,483	1,550,924
Add: Interest earnings	120,687	76,364	57,283	92,713	57,273	32,210
Total net earn.	2,339,459	2,247,918	2,150,164	1,909,898	1,868,756	1,583,134
Less: Plant & bldgs. renewal fd. (see statem't below)	949,021	917,016	888,614	853,250	790,599	710,281
Net profit	1,390,438	1,330,902	1,261,550	1,056,648	1,078,157	872,853
Less appropriations: Dividends	1,325,000	1,262,450	1,200,000	1,200,000	1,049,349	895,176
Surp. for year, trans. to spec. surplus acct.	65,438	68,452	61,550	*143,352	28,808	*22,323
Add: Prev. bal. of spec. surp. acct.	219,164	150,712	89,163	232,515	203,707	226,030
Special surp. carried fwd.	284,602	219,164	150,712	89,163	232,515	203,707
*Deficit.						
Earnings Per Share and Dividend Record:						
Common: Earned	$10.49	$10.04	$10.51	$8.80	$8.98	$8.72
Paid	10.00	10.00	10.00	10.00	10.00	10.00

DOMINION GAS

Operates Canadian Units for American Public Utility Group

Canadian properties of International Utilities Corp. were purchased at the middle of last year by the American Commonwealths Power Corp. and American Utilities and General Corporation. The new owners, in turn, formed a holding company known as Dominion Gas and Electric, 60 per cent of the control being held by American Commonwealths Power and the balance by American Utilities.

Properties taken over by Dominion Gas and Electric include Canadian Utilities, Canadian Western Natural Gas Light, Heat and Power, Edmonton Utilities, Gas Production and Transportation, Nanaimo Electric Light, Heat and Power, North-Western Utilities, Union Power, and Duncan Utilities.

Gross earnings of these companies for twelve months ended November 30, 1930, amounted to $4,505,942 and net earnings $2,204,176, after operating expenses, maintenance and Canadian taxes. Approximately three-fourths of the revenue of these properties is derived from the sale of natural gas and a large part of the remainder from the sale of electricity.

No financing has been carried out on behalf of Dominion Gas and Electric but, on the other hand, it is the intention to issue to the public, $8,000,000 first claim 6½ per cent collateral trust bonds, each $1,000 bond carrying a non-cancellable warrant entitling the holder to purchase fifteen shares of common stock at $15 a share up to and including July 1, 1940. Capitalization of the company upon completion of this financing would consist of $8,000,000 bonds, $3,000,000 three year 6 per cent notes, $2,500,000 of 7 per cent first preferred, $4,153,400 of 7 per cent second preferred and 500,000 shares of no par value common stock.

To Aid Small Industries

A salaried official is to be appointed by the Nova Scotia Development Board to study the problem of assisting small Nova Scotia industries to find markets in Quebec and Ontario.

CAN. WEST. GAS

Calgary Company Reports Steady Growth in Fuel Sold

(Controlled by Dominion Gas)

Canadian Western Natural Gas, Light, Heat & Power Co., formerly controlled by International Utilities Corp., now is a subsidiary of Dominion Gas & Electric Co., which is owned by American & Commonwealth Power, one of the large utility organizations in the United States.

Public investment interest in Canadian Western Natural Gas is in the first mortgage bonds, held mostly in England, and in preferred stock, some of which recently has been distributed in Canada. The preferred, a 6 per cent cumulative issue, participates up to 1 per cent in distribution on common shares to the amount of 7 per cent.

Consumption Grows

Canadian Western Natural Gas is a well-managed company serving Calgary, Lethbridge and smaller communities in Southern Alberta with natural gas. Most of the supply now comes from Turner Valley, where there is an excess owing to the extensive drilling campaign there in order to extract the naphtha and crude oil.

Report for the fiscal year ended December 31, 1930, shows a growth in consumption of gas, an extension of mains and additions to the meters installed in industrial plants, apartment houses and private dwellings. Because of the large and cheap supply, the company is able to distribute gas in the cities in its territory at prices which enables it to compete with coal and other fuels, aside from the fact that natural gas is a more convenient means of heating.

Storage at Bow Island

Prior to the development of Turner Valley, the company got most of its supply from Bow Island field. Latterly, however, this field has been used almost exclusively for storage of surplus gas from Turner Valley (although much Turner Valley gas still goes to waste) while the Foremost field for the moment is closed in.

Balance sheet of the company shows a good position, although the company normally is deficient in working capital owing to the steady expansion, which is not altogether taken care of by the additional issues of preferred stock. The company has been active in exploration.

Capitalization—	Authorized	Outstanding
Common, $4	$8,000,000	$8,000,000
Preferred 6% Par $100.	4,000,000	3,500,000
Funded Debt—		
5% 1st mort. deb. redeemable, 1936		$754,144

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930	1929	1928
	$	$	$
Sale of gas	2,083,261	1,956,221	1,651,374
Add: Other income	115,788	119,300	130,547
Total inc.	2,199,049	2,075,322	1,781,921
Less: Cost of gas, distrib. and admin. exp.	1,291,839	1,110,765	865,951
Net earnings	907,210	964,557	915,970
Less: Deb. interest	38,894	41,799	46,902
Other int.	12,632	21,515	25,341
Deprec. & bad debts	27,446	20,692	17,642
Amortiza.	228,794	229,508	198,142
Net profits	599,444	651,043	627,943
Less approp.:			
Pref. divds.	234,452	166,321	153,745
Com. divs.	320,000	320,000	320,000
Trans. to red. res. fd.	70,000	......	......
Surp. for year	*25,008	164,722	154,198
Add: Prev. surplus	403,535	238,813	724,615
Less: Special ord. divs. pay. 1929-31	......	......	480,000
Ord. div. pay. Jan. 15	......	......	60,000
Further res. for unadj. liab. Dec. 31, '27	......	......	100,000
Bal. carr. forward	378,527	403,535	238,813
*Deficit.			
Times Int. Earned:			
After deprec. & amortiz.	12.63	11.28	9.69
Earnings per Share and Dividend Record:			
Pref.: Earn.	$17.13	$21.00	$24.15
Paid	$6+50c	6.00	6.00
Ord.: Earn.	$4.56	6.06	5.09
Paid	$4+$2	$4+$2	4.00+75c*

*Dividend paid Jan. 15, 1928 and deducted from 1927 balance forward.

NORTHWEST. UTIL.

Controlled by Dominion Gas

Northwestern Utilities, formerly part of International Utilities System, is now owned and operated by Dominion Gas and Electric Co. which purchased the parent concern in 1930.

This company supplies natural gas to Edmonton under a 20-year renewable franchise. Gas is secured by the company from its own wells, in the Viking gas fields and brought to Edmonton and distributed to its own pipe line system. A number of towns are supplied en route.

Current reports would indicate that the 1930 business shaped up well. During the 11 months ended November last, gross income totalled $967,980, up from $910,494 in the same period for 1929.

NORTHWESTERN UTILITIES

Capitalization—	Authorized	Outstanding
Common No par value.	60,000 shs.	60,000 shs.
Pref. cum. 8%	$1,500,000	$1,500,000
Prior pref. 6% Par $100.	1,000,000	*762,700

*Of this amount $6,631 is unpaid.

Funded Debt—		
First mortgage sinking fund 7% bonds, due 1938	4,000,000	2,771,700

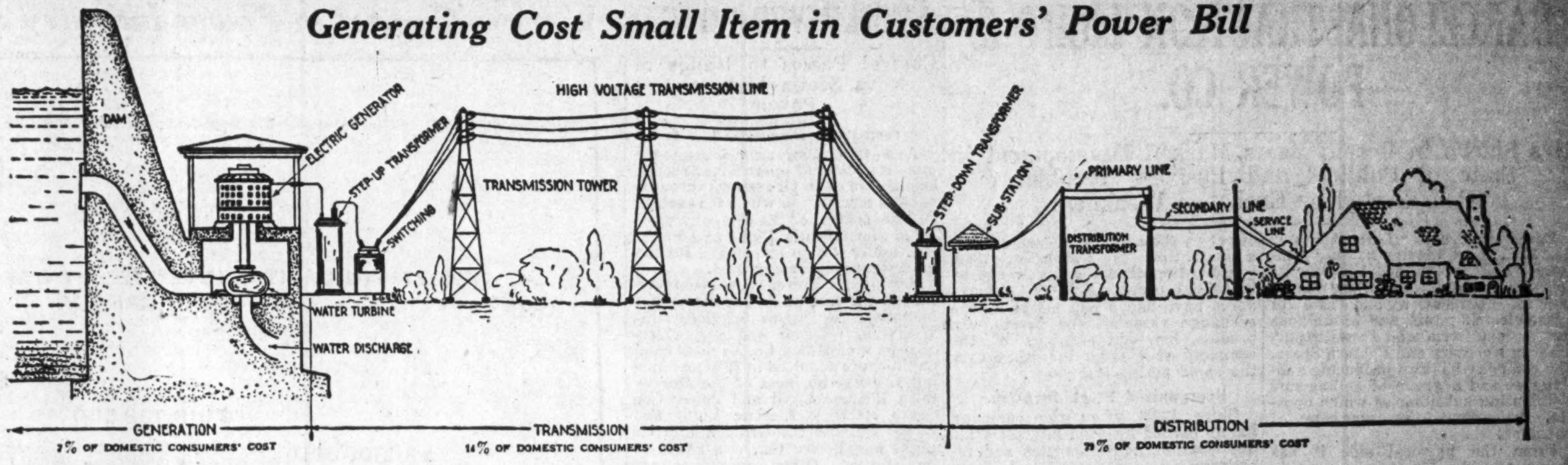
INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1929	1928
	$	$
Gas department sales:		
Domestic sales	979,176	692,291
Commercial sales		190,368
Industrial sales	109,141	103,075
	1,088,317	985,735
Less: Disc. and allow.	67,276	61,985
	1,021,041	923,750
Less: Cost of produc. etc.	361,784	287,391
Amortization res.	111,909	162,575
Bond interest	197,786	206,996
Other interest	28,170	29,478
Net profit on gas sales	321,392	237,309
Add: Net profit, appliance dept.	*9	405
Net profit, serv. dept.	7,345	8,279
Total net profit from operations	328,728	245,993
Add: Int. from secur.	16,431	15,891
Other interest	1,452	3,244
Other non-oper. rev.	5,938	5,249
Less: Loss on sale of invest.	34,748	......
Total net profit	317,801	270,377
Less appropriations:		
Div. prior pref.	38,136	30,996
Div. on pref.	180,000	195,000
Surplus for year	99,665	44,381
Add: Prev. surplus	203,323	158,942
Bal. carried forward	302,988	203,323
Times All Int. Earned:‡		
After amort. and depletion	2.42	2.00
Earnings per Share and Dividend Record:		
Prior preference:		
Earned	$42.04	$50.06
Paid	6.00	6.00

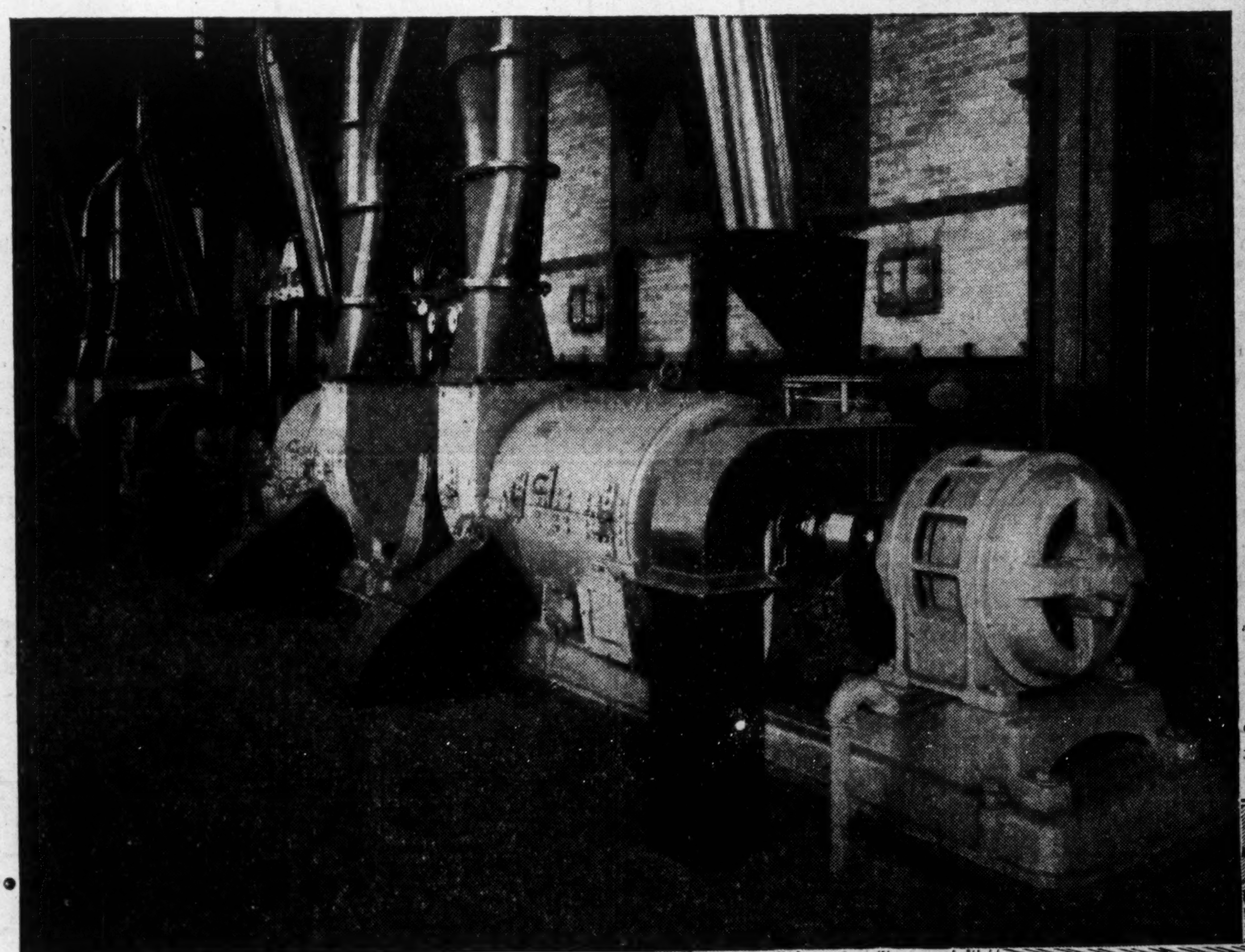
‡Based on the net revenue from the gas department less the cost of production, etc.

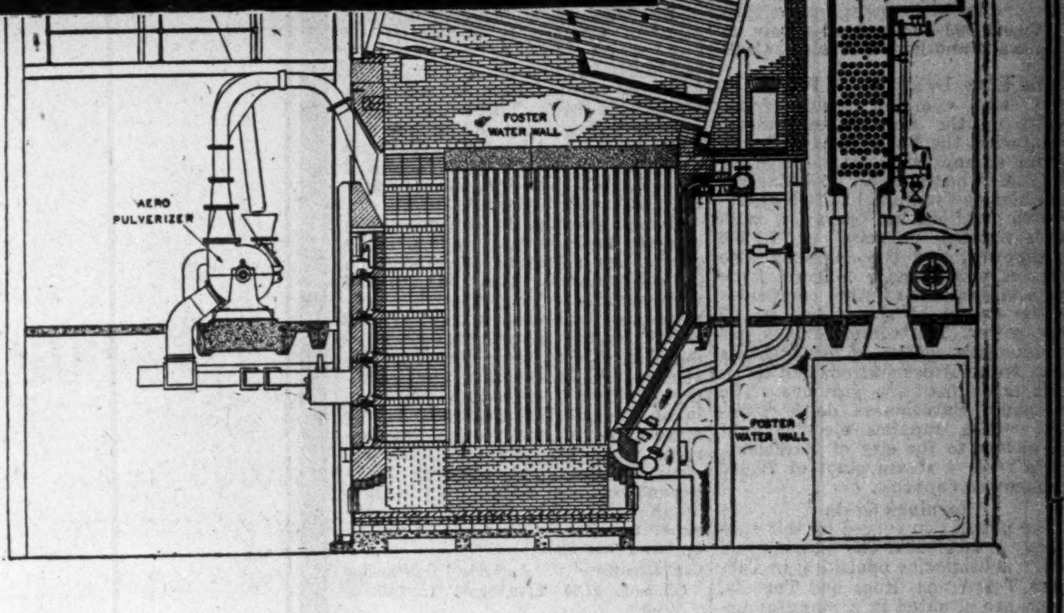
*Loss.

Generating Cost Small Item in Customers' Power Bill



According to a reliable report, issued in connection with one of the largest hydro-electric enterprises on the continent, the cost of generating current at the switchboard of a typical hydro-electric system is approximately seven per cent of the ultimate cost to the customer; the balance being for transmission, distribution and service. Local conditions might vary the ratio of cost in a particular city, but under any circumstances the cost of generating electricity is a fraction of the total. Labor costs, raw materials, supplies, transportation facilities, equipment and practically every other factor in industry (including taxation) go to make up the customer's bill for electricity.


Two Aero unit coal pulverizers fire each 1015 hp. steam generator. By running one pulverizer during light loads and both machines at peak loads, a high degree of flexibility and efficiency is secured.



Drawing of 1015 hp. steam generators pulverized fuel fired by the Foster Wheeler system and equipped with Foster Wheeler water cooled furnaces and Foster Wheeler economizers.

Economy of Modern Steam Generators

TWO modern steam generating units of 1015 hp. each have, in two years' operation, shown remarkable economies. This Canadian installation by Foster Wheeler replaced two old boiler rooms containing a large number of small hand fired units. Careful records show a saving in the wages bill of nearly 50% and in addition a saving of 35% on the cost of fuel and supplies for twelve months' operation compared with the last twelve months during which the old plants were in use.

These satisfactory results are undoubtedly due to co-operative study of plant requirements combined with sound engineering.

Similar results can be secured in the majority of plants, materially reducing production costs.

FOSTER WHEELER LIMITED
Canadian Bank of Commerce Bldg. TORONTO
Canada Cement Co. Bldg. MONTREAL
Works: ST CATHARINES, ONT.

FW

FOSTER WHEELER

BARCELONA TRACTION LIGHT & POWER CO.

Has Shown in Recent Years Marked Development in Spite of Political and Business Troubles, Complicated by Exchange Weakness

Barcelona Traction Light & Power Co., Ltd., is a Canadian holding company which is engaged through its operating subsidiaries in the manufacture, distribution and sale of hydro-electric power and bituminous gas for commercial and domestic purposes in Northern and Eastern Spain. The company has two producing subsidiaries and a group of selling and distributing subsidiaries which operate throughout the province of Cataluna.

From the physical side it has shown considerable development in recent years in spite of political and business troubles of regions served and despite high costs caused by a dearth of water in 1929. Concentrating on improving physical assets and meeting these abnormal situations which have been developing the company's net current assets show a deficiency of $982,027 at the end of 1929 but earnings were nevertheless sufficient to pay bond interest, preferred dividends and something on common with $745,940 over to add to surplus.

Sold Tramways Subsidiary

The company was incorporated in Canada on September 12, 1911, for the business now being operated. The Ebro Irrigation & Power Co. was formed in Canada to construct and operate the hydro-electric works, and Ferreocarriles de Cataluna, S.A., a Spanish company, was later formed to develop electric railways and tramways. It obtained control of nine local companies in addition to 40 per cent of the capital stock of Tramways de Barcelone and arranged for its lease to Ebro Co. for the latter to operate. A Belgian company bought this holding in 1924 and a contract was entered into to supply this company with power.

In 1923 the Union Electrica de Cataluna was formed as a holding and distributing company, the parent company's minority holding in Energia Electrica de Cataluna being transferred to this subsidiary and later further stock was purchased giving Union Electrica the entire ownership of Energia Electrica.

The company disposed of its interests in Ferrocarriles de Cataluna in 1926 owing to unsatisfactory operating results and increasing competition. Under terms of the sale the company received a block of its first mortgage bonds for cencellation, a sum in cash and the purchaser bought 12,750 ordinary shares of Barcelona Traction at par.

Develops Power

In 1928 the company disposed of its shares in Canal de Urgel, an irrigation project, to the Spanish Government, receiving in addition to the purchase price a concession for the construction of a hydro-electric plant at San Lorenzo on the River Segre along with a grant of 1,600,000 pesetas. Work began on the project in September, 1928, and was finished in 1930. It has an installed capacity of 8,000 kw., and it will produce from 30,000,000 to 50,000,000 kw.h. per annum.

The company, through its subsidiaries and by lease, owns and controls a 700,000,000 storage reservoir at Talara and another reservoir at Camarasa.

The Ebro Irrigation & Power Co. owns and operates hydro-electric plants on the Ebro River and its tributaries, the Pallaresa and Segre, having an approximate total capacity of 164,000 horsepower. The Energia Electrica de Cataluna has five hydro-electric stations in operation with an estimated capacity of 79,300 horsepower, and the company also receives power under contract from the developments of other companies to the extent of more than 50,000 horsepower. The company also has an extensive system of high tension lines, transformer stations and terminals throughout the province. The Compania Barcelonesa de Electricidad, which supplies electric light and power to the city of Barcelona, has a reserve steam plant of 79,000 horsepower capacity.

Earnings Grain

The population served by this subsidiary is 1,200,000. The lighting and power subsidiaries operating in Tarrassa Tarragona, Rues and Tortosa, which are situated in a manufacturing district, serve an industrial population of 1,350,000. It also supplies gas for heating and lighting purposes in Barcelona, producing 2,717,519 cubic metres in 1929.

In 1930 Barcelona Traction had gross earnings of 107,285,048 pesetas, which is a 5 per cent gain over 1929, and net earnings of 70,281,998, which is a gain over 1929 of 7.52 per cent. In 1929 the company had had an abnormally large increase in its operating expenses due mainly to a drought of unprecedented severity and duration. This put the company under the necessity of using coal and buying a large amount of power from outside sources. After January of 1930 rains fell and revived the situation to the extent that steam operation was discontinued. There is therefore visible in reports of operations for 1930 a lower total of operating expenses.

Strikes and labor unrest had some effect on the company's earnings for a short time in November, 1930, consumption dropping materially by industrial users. Political disturbances have had a bad effect on the exchange value of the peseta. In pesetas, however, earnings of the company still show increases over the same period last year:.

Reorganized Stock Structure

Since 1923, when the company barely earned its bond interest after depreciation, administration and reorganization expenses had been deducted, earnings have improved until in 1929 bond interest was earned 2.68 times, preferred dividends of $7 plus $1 earned with $1.88 a share to spare, ordinary dividends of 50 cents covered by earnings of $1.44 a share and $1.61 a share on the new ordinary shares.

The funded debt amounted to $30,831,575 at the end of 1929 with a total of $66,762,395 if one includes $35,930,820 for issues of controlled companies.

Preference stock outstanding amounted to $25,193,400 of $100 par value 7 per cent redeemable, participating non-cumulative stock. Ordinary capital stock of $50 par value was shown at $14,362,500 at the end of 1929, but at a special general meeting of shareholders in May, 1930, a plan of exchange was approved for the reorganization of the capital structure. The plan allowed for the exchange of 7 per cent non-cumulative preference stock of $100 par value into new ordinary shares on the basis of six new ordinary shares for each preference share. The ordinary shares of $50 par value were to be exchanged on a share for share basis.

Upon completion of the exchange this would mean that $1,798,854 no par value shares would be outstanding. The old stock paid $1.50 a share per annum. If this is continued it would give the preferred stock the equivalent of $9 a share on the old preference stock in lieu of the participation in all payments on common after $7 a share is paid on preferred. Preference dividends began in 1925 and have continued ever since. Ordinary dividends, which meant in every case extra dividends on preferred under the participation provision, started in 1926 and have continued since then.

In June, 1913, the capital of the company was increased from $25,000,000 to $30,000,000, and in July, 1913, to $42,500,000. In 1921 the rights of the preference shares were modified and the provisions compelling the company to redeem the preference shares in 15 years or at any time were cancelled. In June, 1924, the capital was increased by the creation of $17,500,000 preference shares and was reduced to $45,000,000 by halving the nominal value of the ordinary shares which became of $50 par value instead of $100 par value.

Advances Sales

In line with the increasing sales of light and power, the company has seen an advance in generation of power from 460,046,011 kw.h. in 1924 to 718,249,526 in 1929. Of the latter total the amount reported sold was 553,317,125 kw.h. There were 2,631 gas customers at the end of 1926 and 9,813 at the end of 1929. The gas produced in consequence increased from 870,873 cubic meters in 1926 to 2,717,519 cubic meters in 1929.

Recent political disturbances have affected business and trade and the peseta has therefore been unstable in consequence. This has caused some anxiety to the company's shareholders as did strikes in the territory served by the company as they reduced income to some extent in November. As Barcelona and surrounding territory is somewhat backward in an electrical sense, there is far more opportunity for quick development when business conditions become normal, and political background becomes stable, than in Canadian cities. The repeated disturbances are the adverse consideration on the other side.

Capitalization—	Authorized	Outstanding
Common, $1.50 N.p.v.	2,500,000 sh.	1,798,854 sh.

In March, 1930, shareholders approved the reduction of capital stock from $30,000,000 7% preferred, $100 par, outstanding $25,193,400, and $15,000,000 common, $50 par, outstanding $14,362,500, to common only, shares exchanged on the following basis: preferred, 6 new common shares for each share held; common, share for share. In addition, 400,000 new common shares were authorized.

Funded Debt—	
Cons. prior lien 6½ per cent bonds, due 1965	$13,516,681
6 per cent bonds, due 1972	8,957,757
5½ per cent 1st mtge. bonds due 1974	8,247,151
Outstanding bond issue of con. companies	36,930,820

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	24	22½	30	21	65	47½

*To Mar. 2.

Earnings: Twelve Mos. ended December 31:	1930	1929	% Inc.
Gross earnings	107,285,048	102,175,201	5.00
Oper. expenses	37,003,050	36,809,283	0.53
Net earnings	70,281,998	65,365,918	7.52

INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1929 $	1928 $	1927 $	1926 $	1925 $	1924 $
Revenue from all sources	4,832,369	4,812,137	4,765,521	4,030,090	[illegible],678,234	2,999,287
Less: Admin. exp., legal fees	150,211	134,258	162,929	196,759	149,134	163,353
Reorgan. & issue exp.	48,667	......	......	......	47,019	342,174
Net revenue	4,633,491	4,677,879	4,602,593	3,833,330	3,482,081	2,793,760
Less: Bond interest	1,728,454	1,918,205	2,054,491	2,049,448	2,233,985	2,419,088
Net profit	2,905,037	2,759,674	2,548,102	1,783,882	1,248,096	74,672
Less appropriations:						
Pref. div. paid	2,015,472	2,015,472	2,015,472	1,729,509	1,162,445	......
Pref. div. payable	......	251,934	251,934	......	......	......
Ord. div. paid	143,625	143,625	143,625	......	......	......
Ord. div. payable	......	143,625	143,625	......	......	......
Surplus for year	745,940	205,018	‡6,554	54,373	85,651	74,672
Add: Previous surplus	413,159	208,141	214,695	160,322	74,672	......
Bal. car. forward	1,159,099	413,159	208,141	214,695	160,322	74,672

‡ Deficit.

	1929	1928	1927	1926	1925	1924
Times Bond Interest Earned*	2.68	2.43	2.24	1.86	1.55	1.03

* After depreciation, administration and reorganization expense.

Earnings per Share and Dividend Record.	1929	1928	1927	1926	1925	1924
Preference: Earned	$11.53	$10.97	$10.11	$7.08	$5.36	.....
Earned†	9.88	9.42	8.98	....	....	....
Paid	7.00+1.00	7.00+2.00	7.00+2.00	7.00	5.00	.....
Ordinary: Earned†	1.44	1.26	.99	.....	.....	.....
Paid	.50	1.00	1.00	.....	.....	.....
Ordinary (new)*	1.61	....	....	.....	.....	.....

† Under participation feature. * Based on 1,798,854 shares.

Sell Tractors in West

Nearly 100,000 tractors have been sold in Western Canada in the past twelve years, and of this total, more than half went to farmers in Saskatchewan, according to the latest estimates. In three years more than 5,000 threshers have been sold in Saskatchewan, half the total for all Western Canada.

Potato Exports Are Heavy

Potato exports from Prince Edward Island and Nova Scotia to the United States have been heavy this year. Seed potatoes shipped during January amounted to 25,900,000 pounds, compared with 10,792,000 pounds in January, 1930. In addition, some 9,000,000 pounds of potatoes have been shipped for table use.

AVON RIVER POWER

Control Passes to Hands of Nova Scotia Light and Power

Controlled by Nova Scotia L. & P.

Avon River Power continues to expand its scope of operations through acquisition of small systems throughout the territory in which it is active. In 1930 control of the company passed to Nova Scotia Light and Power Co., under whose ownership further expansion may be expected.

Avon River Power serves communities in the eastern Annapolis Valley, including the towns of Kentville, Wolfville, Windsor and a considerable part of Hants Co. Various companies were acquired in 1929 and during 1930 the business of the Morristown Electric Light and Power Co., South Berwick Electric Light and Power Co. and the Grafton Electric Light and Power Co., was added to its system. Other purchases are under contemplation.

The company has enlarged its generating facilities to keep pace with its wider activities. Two hydro-electric plants are operated on the Avon River, one on the Gaspereaux River and one on the Ball River, having a combined capacity of 8,600 h.p. Further, the company brought a 4,500 h.p. development on the Black River into production last year, giving it a total output of 13,100 h.p.

The company's system has now been hooked up with that of Nova Scotia Light and Power, which will enable it to distribute surplus power through the latter's Halifax system.

Capitalization—	Authorized	Outstanding
Preferred 6% Par $100.	$250,000	$200,000
Common Par $100.	250,000	225,000

Funded Debt—
1st mtge. sink. fund 5½ per cent bonds, series "A," due 1956, $650,000; series "B," due 1957, $193,400.

OTTAWA VALLEY

Ottawa Valley Power Co. came before the investing public in October, 1930, when it offered $9,000,000 5½ per cent first mortgage bonds. The company is developing a hydro-electric power site at Chats Falls on the Ottawa River jointly with the Hydro-Electric Power Commission of Ontario.

Progress is being made with this project and it is expected that power will be produced in October, 1931. The site at Chats Falls is capable of development up to 224,000 h.p. of which half will be developed by Ottawa Valley Power Co.

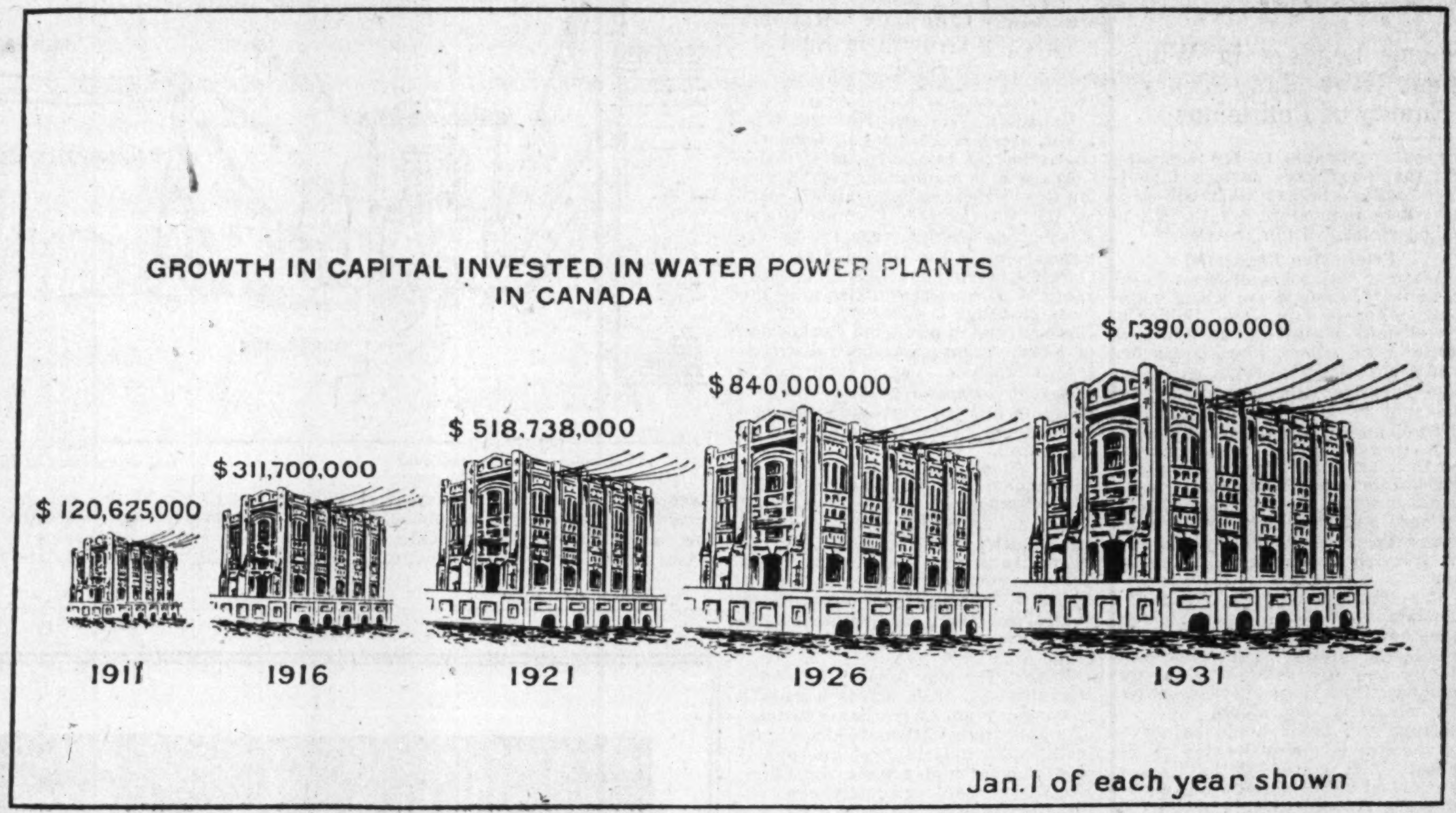
A market for the company's output has been arranged for through a contract with the Ontario Hydro which provides for delivery of all primary power generated at the company's development.

The contract runs for 40 years from October 1, 1931, and calls for delivery of 48,000 h.p. from that date, and a further 48,000 h.p. from October 1, 1932.

Capitalization—	Authorized	Outstanding
Common No par value.	50,000 shs.	50,000 shs.

Funded Debt—
1st mtge. 5½ per cent debs., due 1970, outstanding $9,000,000.
6 per cent 40-yr. debentures, $3,000,000.

Capital in Power Industry Approaches $1,500,000,000



The amount of capital invested in the water power industry of Canada has increased far more rapidly than in any other industry, now totalling around $1,390,000,000. Developments under way or in immediate prospect call for a further outlay of approximately $300,000,000, so that by 1935 Canada will have nearly $1,700,000,000 invested in this one industry. This latter figure does not take into consideration further outlays on transmission and distribution lines, sub-stations, etc., which will add still further to the total.

Lower St. Lawrence

Lower St. Lawrence operates a number of local power companies on the Metis River, supplying power to the towns in the vicinity of Grand Metis Falls.

In addition to the foregoing, the company owns the entire capital stock and guarantees the bonds of the Matapedia Valley Light & Power Co., and Credit Municipale Canadienne, Rimouski.

Public investment interest in the finances and operation of the Lower St. Lawrence Power Co. and its subsidiaries is negligible, due to the fact that control was acquired three years ago by the Central Public Service Co. of Chicago.

Capitalization—	Authorized	Outstanding
Common No par value.	20,000 shs.	20,000 shs.

Funded Debt—
1st mtge., series "A," 7 per cent, due 1947, outstanding $750,000; 2nd mtge., 8 per cent, due Aug. 1, 1932, outstanding $850,000.

QUEBEC TELEPHONE

Dividend on Stock Cut One Half During 1930

Early last year Quebec Telephone & Power Corp. reduced the dividend on its class "A" stock from $1.60 to 80c. a share.

The financial statement for 1929, the latest available showed that net profits were approximately $11,000 less than the dividends of $52,042 declared on the senior stock. While no interim statement has been issued by the company in the meantime, it is assumed by the records of the other telephone companies, that 1930 did not bring about any marked increase in earning power.

Quebec Telephone controls and operates a number of small companies in the lower St. Lawrence territory. Additions are being made to the physical properties as demand warrants.

Capitalization—	Authorized	Issued
Class "A" 80c non-cum.	50,000 shs.	35,892 shs.
Class "B" N.P.V.	50,000 shs.	33,894 shs.

Funded Debt—
As at Dec. 31, 1929, company had outstanding $139,000 5 per cent Series "B" bonds, due 1952. One of company's subsidiaries, La Compagnie de Téléphone Nationale, also at that date had outstanding $146,100 6½ per cent bonds, due 1939.

CONS. INCOME AND SURPLUS ACCOUNT
Year ended Dec. 31, 1929

	$
Revenue:	
Telephone operation	176,055
Other revenues	18,813
Gross revenue	194,868
Less: Operating expenses	88,367
Net earnings	106,501
Less: Depreciation	29,526
Int. on funded debt	23,583
Int. on floating debt	9,350
Other deductions	2,221
Net profit	41,821
Less appropriations:	
Class "A" dividends	52,043
Equity to minority shareholders	516
Deficit for year	10,738
Add: Previous surplus	409,514
Less: Adjustments	4,018
Balance carried forward	394,758
Earn. per Share and Div. Record:	
Class "A": Earned†	$1.17
Paid	1.60
Class "B": None earned or paid.	

†Based on the number of subscribed shares.

NATURAL GAS BRINGS LUXURY TO THE HOME AND EFFICIENCY TO INDUSTRY

Through
Good Times and Bad
Natural Gas Utilities
Continue to Grow
and Expand

Year in and year out the demand for Natural Gas in Southern Alberta continues to increase. Despite pessimism and business depression, the load continues to grow heavier as more homes, more industries and more communities require and demand the luxury and efficiency that only Natural Gas can give.

With a Natural Gas which contains over 1,100 B.T.U.'s, domestic and commercial rates among the lowest on the continent, an abundant supply, almost unlimited reserves, and the highest possible service, the communities served by this organization purchased more gas during 1930 than in any previous year.

SERVING IN 1929		SERVING IN 1930	
Communities	13	Communities	17
Consumers	21,274	Consumers	23,125
Population	185,000	Population	191,500

USE AIR MAIL

IF IT'S DONE WITH HEAT
GAS WILL DO IT BETTER

The Canadian Western Natural Gas, Light, Heat & Power Co., Limited

HYDRO WORK IN DOMINION ON BIG SCALE

Estimate $100,000,000 Will be Spent This Year

COVER WIDE AREA

Developments in Hand Have Bearing on Trade in Many Directions

With an estimated expenditure in 1930 of $80,000,000 and with roughly $300,000,000 involved in completing projects now under way or about to start, the hydro-electric industry is far ahead of any other major economic activity in the Dominion.

It is estimated that at the beginning of the year, more than 11,000 men were employed on the actual construction of various water-power developments, while several times as many are given employment in manufacturing and other establishments providing material and equipment going into the work.

New installations brought into operation during 1930, according to a survey of the Dominion Water Power Bureau, aggregated 397,850 h.p. bringing the total installation for the whole Dominion to a figure of 6,125,000 h.p. at the end of the year.

Work in Progress

Construction is active, also, on a number of undertakings throughout the country, several of which are of outstanding magnitude and with the completion of these during the next two or three years, more than 1,500,000 h.p. will be added to the Dominion's total.

Other important projects are under active investigation with developments apparently imminent in several cases, while plants recently placed in operation or actively under construction are designed for future extensions as load conditions warrant.

During the past year Ontario lead in new installations placed in operation with a total of 136,000 h.p., followed by Quebec with 122,700, British Columbia, 71,000, Saskatchewan, 42,000, New Brunswick, 21,000, and Nova Scotia, 5.100.

Four Provinces Active

Large undertakings are at present under construction in Quebec, Ontario, Manitoba and British Columbia. The principal activities in each of the provinces are reviewed hereunder.

Hydro-electric projects actively under way in British Columbia at present involve initial installations totalling over 136,000 h.p., while other large undertakings are in immediate prospect.

Bridge River Power Co., a subsidiary of B. C. Power, is making good progress on its undertaking on the Bridge River. The excavation of the initial tunnel which will lead the water of Bridge River to the Mountain Divide, to the power station on Seton Lake was completed last year and the concrete lining well advanced. It is expected that this will be finished during 1931 and the initial installation of 56,000 h.p. will be ready for operation in 1932.

This development is designed to be extended by stages to an ultimate capacity of 600,000 h.p. Power from the Ruskin and Bridge River developments will systematically supply the expanding needs of the Vancouver district for a number of years to come.

West Kootenay Developing

During the late summer of last year, the West Kootenay Power and Light Co. commenced construction of its fourth development on the Kootenay River. The installation will comprise three 19,000 h.p. units.

The same company, in order to provide for the increasing power demands of Consolidated Mining and Smelting Co., is making plans for two other developments, one on the Pend d'Oreille River will require the construction of a high dam to concentrate a head of about 350 feet, the installation to be in the neighbourhood of 350,000 h.p. The other project is on the Adams River below Adams Lake,, where investigations are being made with a view to installing about 30,000 h.p.

Good progress has been made by the Powell River Co. with its new hydro-electric undertaking on Lois River where the first unit of 24,800 h.p. is expected to be in operation some time this month. Completion of the plant for the second unit of similar capacity will be proceeded with this year.

Investigate Many Sites

Among projects in British Columbia under investigation, the East Kootenay Power Co. has continued its field and office studies of a 20,000 h.p. development at Phillips Canyon on the Elk River, the Vancouver Island Power Co. continues investigations of the Campbell River on Vancouver Island, while the Provincial Water Rights Branch continues its preliminary survey of the power possibilities of the province with particular attention being given to the Taseko-Chilco-Southgate scheme tributary to Bute Inlet and the Nechako River scheme tributary to Dean Channel.

At the end of 1930 hydro-electric construction in British Columbia was giving employment to about 1,700 men actually engaged upon the work, in addition to many who were employed in the manufacture and handling of supplies and equipment.

Manitoba Plans Advancing

In Manitoba good progress is being made in the construction of two large hydro-electric undertakings on the Winnipeg River. At the Seven Sisters site, the Northwestern Power Co. (subsidiary of Winnipeg Electric) has a development under way which will ultimately comprise an installation of six units of 37,500 h.p. each. Three of these units, comprising the initial installation, are being installed. It is expected to have the first unit in operation by the beginning of July and the other two shortly after.

At Slave Falls the City of Winnipeg is engaged in constructing its second development on the Winnipeg River, the plant being designed for an ultimate capacity of eight 12,000-h.p. units, two of which will comprise the initial installation. It is expected to have this 24,000 h.p. capacity ready for operation on or before September 30 next.

More than 2,500 men are being employed on these two projects.

Big Ontario Installations

Several important developments are being undertaken in Ontario. At Chats Falls on the Ottawa River, a joint development is being carried out by the Ontario Hydro-Electric Power Commission and the Ottawa Valley Power Co. This plant will have an initial installation of 224,000 h.p. in eight units, while provision is being made to increase this to 280,000 h.p. when flow conditions warrant. It is expected to have half of the initial capacity ready for operation by October 1 next, and the full capacity a year later.

In Northern Ontario, the Ontario Public Service Corp., a subsidiary of Abitibi Power and Paper, has made good headway on its deevlopment at the Abitibi Canyon where 330,000 h.p. will be installed in five units of 66,000 h.p. each. About 1,200 men are at present engaged in construction at the site.

Quebec to the Fore

Even more important developments are under way in the neighboring Province of Quebec. The Shawinigan Water and Power Co. has its power project at Rapide Blanc on the St. Maurice, well advanced. It is planned to install 160,000 h.p., which will be brought into operation toward the end of 1932. Between 700 and 800 men are employed at the site, but this number will be increased to between 1,500 and 2,000 by spring.

The Maclaren Quebec Co., has completed a 90,000-h.p. installation at the High Falls plant on the Lievre River, but it also proposes to construct another 120,000 h.p. plant on the same river below Buckingham.

Alcoa Power Co. has brought into operation its initial installation at Chute-à-Caron. The development at this point of the Saguenay River will be completed by the building of the 800,000 h.p. Shipshaw plant, which work will be undertaken as soon as conditions warrant.

Beauharnois Ahead Schedule

Beauharnois Power Corp. is ahead on its plans for the development of 500,000 h.p. on the St. Lawrence River, a short distance from Montreal. Already over 10,000,000 cubic yards of material have been moved of the total 30,000,000 required for the initial 200,000 h.p. installation which is to be in operation by October, 1932. Excavation work on the power house and tail race site is well advanced and about one-third of the dredging and embankment work for the power and ship canal has been completed.

Among other developments under construction are the Mont Louis Seigniory Ltd., 350 h.p. plant near Mont Louis, P.Q., and the 40,000 h.p. development of the Ontario Paper Co. near the mouth of the Outardes River, Gatineau Power Co. plans to install unit No. 7 of 34,000 h.p. to its Paugan Falls plant on the Gatineau River, while Montreal Island Power Co. will probably proceed with the addition to two further 12,000 h.p. units in its plant on the Back River near Montreal.

Building Steam Plant

In New Brunswick the New Brunswick Electric Power Commission has under way the construction of a steam power plant at Newcastle Landing on the shore of Grand Lake near the Minto coal areas. The initial installation consists of two 2,500 k.w. turbo-generators.

Power Industry Builds On Tremendous Scale

Last year witnessed the bringing into operation in Canada of 397,850 h.p. of hydro-electric energy, increasing the total turbine installation to a new high figure of 6,125,012 h.p. This in itself is an outstanding achievement, but a survey of conditions in the water power industry shows that work in hand or in prospect assure a continuation of this remarkable growth for several years to come. It will be noted in the accompanying tables that hydro projects in progress call for an ultimate installation of 1,908,725 h.p. Developments contemplated aggregate the impressive figures of 3,801,940 h.p. Some of the latter schemes may not materialize for many years, but the mere fact that such projects are in mind is indicative of the tremendous developments going on in the water power industry.

PROVINCIAL POWER INSTALLATIONS

	End of 1929	Added in 1930	Installed Jan., 1931
British Columbia	559,792	71,000	630,792
Alberta	70,532	....	70,532
Saskatchewan	35	42,000	42,035
Manitoba	311,925	....	311,925
Ontario	1,952,055	136,000	2,088,055
Quebec	2,595,430	122,700	2,718,430
New Brunswick	112,631	21,050	133,681
Nova Scotia	109,124	5,100	114,224
Prince Edward Island	2,439	....	2,439
Yukon	13,199	....	13,199
Total	5,727,162	397,850	6,125,012

INSTALLATIONS IN 1930

Company	Site	Horsepower
Vancouver Island Power	Jordan River	18,000
Western Power	Ruskin	47,000
Northern B. C. Power	Falls River	6,000
Churchill River Power	Island Falls	42,000
Ontario Hydro-Electric	Queenston	58,000
Ontario Hydro-Electric	Alexander Ldg.	54,000
Canada Northern	Upper Notch	13,000
Algoma District Power	High Falls	11,000
Shawinigan W. & P.	Grand'Mère	25,000
Maclaren-Quebec Power	Lièvre River	90,000
Lower St. Lawrence Power	Netio River	6,000
J. Ford & Co.	Ste. Anne Perade	1,000
Baie St. Paul Electric	Gouffre River	700
St. John River Power	Grand Falls	20,000
Town of Edmundston	Second Falls	1,050
Avon River Power	Black River ..)	4,500
Digby County Power Board	Weymouth Falls	600
Total for year		397,850

HYDRO PROJECTS IN PROGRESS

Company	Site	Complete	Installation
Bridge River Power	Bridge River	1932	56,000
West Kootenay Power	Corra Linn	1931	57,000
Powell River	Lois River	1931	49,600
Northwestern Power	Seven Sisters	1931	*112,500
City of Winnipeg	Slave Falls	1931	24,000
Ottawa Valley Power	Chats Falls	1931	†224,000
Ontario Power Service	Abitibi Canyon	1931	‡330,000
Shawinigan W. & P.	La Gabelle	1931	30,000
Shawinigan W. & P.	Rapide Blanc	1932	160,000
J. Ford & Co.	Ste. Anne Perade	1931	2,000
Alcoa Power	Chute-à-Caron	1931	260,000
Beauharnois	St. Lawrence	1932	§500,000
Mont Louis Seigniory	Mont Lewis	1931	850
Ontario Paper	Outardes River	1931	40,000
Gatineau Power	Paugan Falls	1931	34,000
Montreal Island	Back River	1931	24,000
Mun. of La Malbaie	————	1931	800
New Brunswick Power Board	Newcastle Ldg.	1931	3,730
Annapolis Royal	Lequille River	1931	245
Total			1,908,725

*42,000 h.p. under partial head. ‡100,000 h.p. in 1931.
†One-half in 1931. §200,000 h.p. in 1932.

HYDRO DEVELOPMENTS CONTEMPLATED

Company	Site	Horsepower
Bridge River Power	Bridge River	544,000
Western Power	Ruskin	141,000
West Kootenay Power	Pend Oreille	350,000
West Kootenay Power	Adams River	30,000
Northern B. C. Power	Falls River	10,000
East Kootenay Power	Phillips Canyon	20,000
Vancouver Island Power	Campbell River	110,000
Churchill River Power	Island Falls	42,000
Northwestern Power	Seven Sisters	112,500
City of Winnipeg	Slave Falls	72,000
Shawinigan W. & P.	Rapide Blanc	80,000
Shawinigan W. & P.	Upper St. Maurice	1,000,000
Shawinigan W. & P.	Carillon	600,000
Maclaren-Quebec Power	High Falls	30,000
Maclaren-Quebec Power	Lièvre River	120,000
Alcoa Power	Chute-à-Caron	540,000
New Brunswick Power Board	Roseway River	400
Total		3,801,940

MONT. TELEGRAPH

Contract Provides Sufficient Revenue for Stock Dividends

Montreal Telegraph Co.'s position is much the same as that of Dominion Telegraph Securities, in that it has a fixed income derived through long term lease of its wire system.

The company operates under a perpetual franchise approximately 22,000 miles of wire in Ontario, Quebec, parts of Nova Scotia, New Brunswick, Northern New York, Vermont, Maine, New Hampshire and Michigan. These properties are operated and maintained by the great Northwestern Telegraph Co. of Canada, which in turn is controlled by the Dominion Government and operated under the name of Canadian National Telegraphs.

Operations and maintenance are also guaranteed under a 97-year agreement from July 1, 1881, by Western Union Telegraph Co., which also guarantees payment of dividends. The income thus received is sufficient to pay dividends of 8 per cent, less Canadian Government income tax.

Capitalization—	Authorized	Outstanding
Common 8%	$2,000,000	$2,000,000

Shares, $40 each.

Funded Debt—
None.

EARNINGS

The company receives annually, from the Great North Western Telegraph Co. the sum of $165,000, from which dividends at the rate of 8% per annum are paid on the company's capital of $2,000,000, less the Canadian Government income tax.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	50	48	55	45	55	47½

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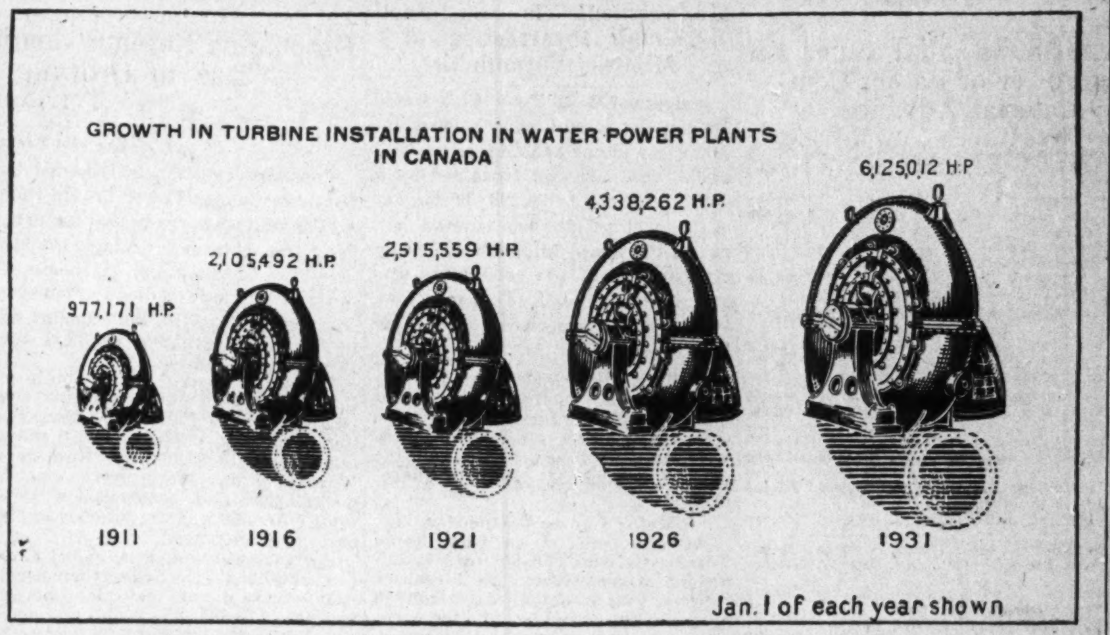
*To March 2.

Power Industry Continues Record March



Since the post-war period, the development of Canada's water power resources has proceeded at a rate far beyond the growth recorded by any other industry. Capital has poured into the country, with the result that the Dominion today ranks as one of the world's leading producers of hydro-electric energy. Present installed capacity is 6,125,012 h.p. How this compares with the development at other fixed periods since the beginning of the current century is graphically shown by the above illustration.

ST. JOHN RIVER

Bring Plant Installation Up to Maximum Capacity

Subsidiary of Gatineau Power

Consequent upon the installation of additional newsprint machines in the Dalhousie plant of the New Brunswick International Paper Co., Saint John River Power Co. installed a fourth unit of 20,000 h.p. in its Grand Falls plant, bringing the total installation up to the designed capacity of 80,000 h.p.

No extension to the power house was required for the new unit as it was originally built to house four generators. Only the cost of the machinery of the new unit was thus involved, resulting in comparatively low additional cost per horsepower.

Sell Complete Output

Power from Grand Falls is now utilized under long term contracts by Fraser Companies, at Edmundston, and by New Brunswick International Paper at Dalhousie. In addition Saint John River Power provides Grand Falls and Dalhousie with wholesale power, owns the distributing system at St. Leonards, and supplies retail power to that community.

There is no direct investment interest in this concern, all of the common stock and funded debt being owned by Gatineau Power Co., which in turn is controlled by Canadian Hydro-Electric Corp., which again forms a part of International Paper and Power system.

Amos Water & Power

Controlled by Consol. Utilities

Amos Water & Power Co., a subsidiary of Municipal Service Corp. (now Consolidated Utilities) owns and operates the water pumping system in Amos, with a franchise for the supply of water during a period of 25 years, granted in 1918. The company also owns a power site on the Harricana River at Amos.

In 1920 the company issued 25,000 of 7 per cent first mortgage bonds which were supposed to mature June 1, 1930. The company, however, did not make progress and was unable to meet its last interest payment and the issue was not redeemed.

Reach New Agreement

Since these bonds were underlying the ownership of the property, an agreement was reached by bondholders whereby a three-year extension was granted on the understanding that Municipal Service Corp. paid the interest on the securities.

Following a reorganization of Municipal Service Corp., the parent organization, steps have been taken to improve operations of Amos Water and Power Co.

B. C. TELEPHONE

Sells Bonds and Redeems Old Debenture Stock

Controlled by Associated Tel. & Tel.

British Columbia Telephone Co. is the second largest telephone utility in Canada, operating some 50 exchanges and more than 160,000 telephones in the metropolitan areas of Vancouver and Victoria.

While the company is controlled by Associated Telephone & Telegraph Co. there is a considerable investment interest in the senior securities of B. C. Telephone. Late in 1930 the company sold $7,500,000 of 5 per cent bonds, which was used to redeem an issue of first mortgage debenture stock, for capital extensions and other corporate purposes.

The company has been in operation for more than 30 years and has shown consistent growth in telephones installed and in gross and net income. At the end of September, 1930, the company had 116,821 telephones in service.

Capitalization—	Authorized	Outstanding
Common	$4,600,000	$4,500,000
Pref. 6% cum.	1,000,000	1,000,000
Pref 6% cum.	4,500,000	4,500,000

Par $100.

Funded Debt—
1st mtge bonds, series "A," due 1960, $7,500,000. 1st mtge. deb. stock, due 1962, 4½%. *$912,632.

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*To be called Nov. 1, 1931.

PUBLIC UTILITY BONDS
FOR SOUND INVESTMENT

THERE are a number of excellent public utility bonds which are available today at prices relatively lower than the average level of high-grade securities.

Such utility bonds afford an opportunity to combine security of principal with attractive rate of income and constitute an unusually favorable investment.

We shall be glad to answer enquiries regarding public utility bonds and to recommend securities of this character, selected to suit individual requirements.

DOMINION SECURITIES CORPORATION LIMITED
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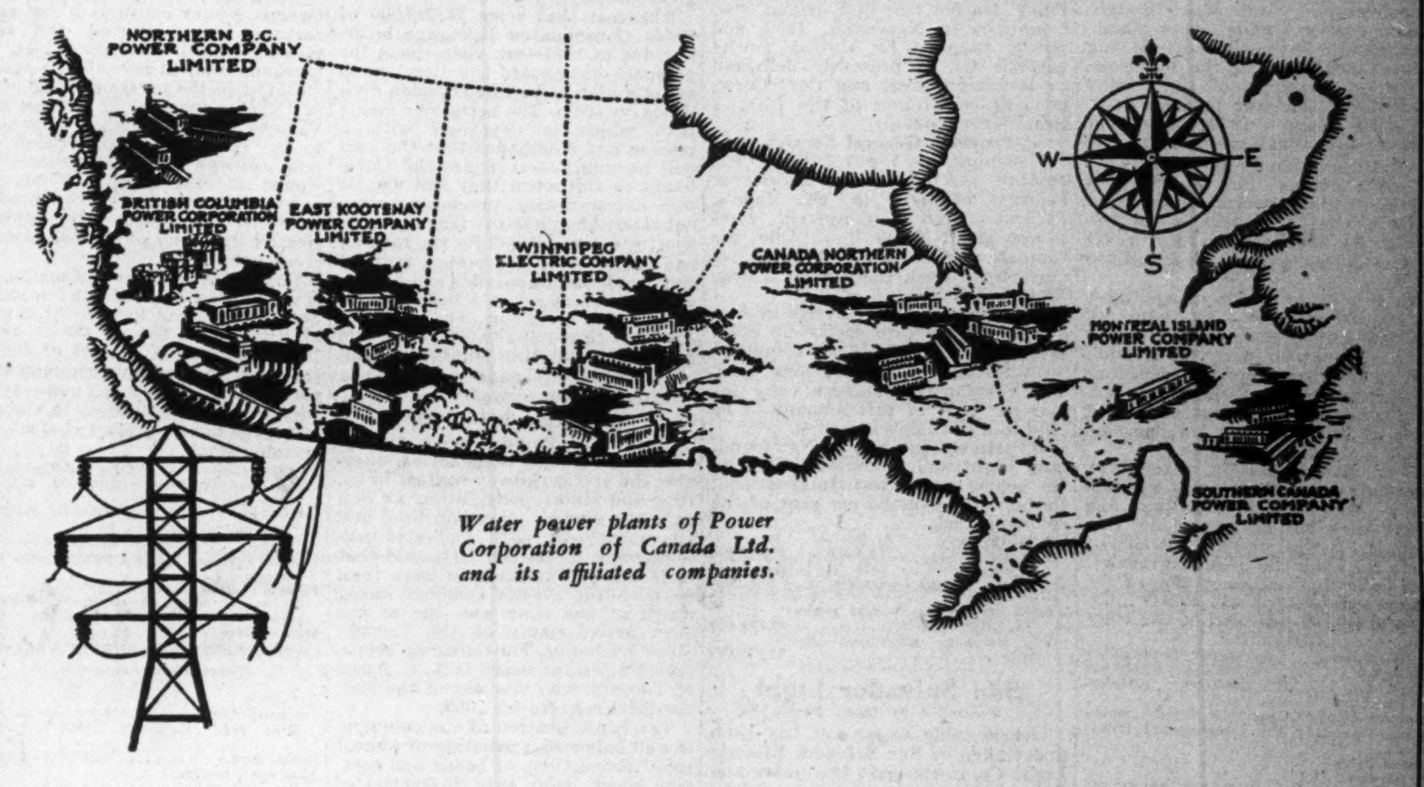
NORTHERN B.C. POWER COMPANY LIMITED
BRITISH COLUMBIA POWER CORPORATION LIMITED
EAST KOOTENAY POWER COMPANY LIMITED
WINNIPEG ELECTRIC COMPANY LIMITED
CANADA NORTHERN POWER CORPORATION LIMITED
MONTREAL ISLAND POWER COMPANY LIMITED
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Water power plants of Power Corporation of Canada Ltd. and its affiliated companies.

From Coast to Coast in Canada

And in other countries and continents Power Corporation is successfully pursuing its manifold activities.

Power Corporation and its affiliated companies with over 1,000,000 developed horse power serve territories nation-wide in scope and for diversified power requirements.

An abundant supply of reasonably priced power has made possible the industrial growth of the areas served and the rapid expansion of Canada's mineral and other natural resources.

Power Corporation's ramifications are extensive and co-ordinated in furthering national progress.

An Expert Service for the Solution of Power Problems

Our trained organization is equipped to solve every detail of your power problem. Our complete service includes financing, engineering, construction, management and operation.

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INTERNATIONAL POWER

Operating Subsidiaries Spend Substantial Sums on Capital Account—Earning Power of Parent Company Does Not Show Material Advance

International Power Co., controlling utilities in South America and one in Newfoundland, has not recorded impressive earnings since its inception in 1926. The company's operating subsidiaries, however, have spent substantial sums on account each year and are improving their positions.

Though figures for 1930 are not yet available, it is expected the company will show its preferred dividend requirements earned by a small margin as was the case in 1929. Earnings for the nine months ended September 30, were $1,561,375 an increase of $62,351 over the same period in 1929. While gross earnings for the period were somewhat higher, there was a marked reduction in operating expenses, due to completion of hydro-electric developments in Porto Rico, operated by the company's major subsidiary, Port Rico Power Co.

Hold Many Properties

In addition to the latter, South American properties comprise utilities in Venezuela, San Salvador, Bolivia, Demerara, Oruro. These companies operate public and private lighting power, tramways, and telephone services, in about 60 communities.

Capitalization—	Authorized	Outstanding
Common	150,000 shs	115,610 shs.
No par value.		
1st pref., 7%	$8,000,000	$8,000,000
2nd pref., 6%	2,000,000	2,000,000
Par $100.		
Funded Debt—		
Gold debens., 6% and 6½%, due 1957		*$5,000,000

* $3,000,000, 6½%: $2,000,000, 6%.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Divs. & int. rec. from contr. cos. & other inc.	962,299	800,471
Less: Misc. exp. & int.	77,633	36,068
Net income	884,666	764,403
Less: Int. on debs.	283,797	195,000
Net profit	600,869	569,403
Less appropriations:		
1st pref. divds.	560,000	500,489
Surplus for year	40,869	68,914
Add: Prev. surplus	198,841	129,927
Bal. car. forward	239,710	198,841
Times Debenture Int. Earn.	3.12	3.92
Earn. Per Share and Div. Record:		
1st pref.: Earned	$7.51	$7.12
Paid	7.00	7.00
2nd pref.: Earned	2.04	3.45
None paid.		

Common stock: None earned or paid.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Com.	8	6	18	7¼	35	14
1st pfd.	70⅛	68½	90¾	69	98½	81

* To March 2.

PORTO RICO POWER

Important New Work Undertaken During Past Two Years

Controlled by Inter. Power

Porto Rico Power Co., formerly known as Porto Rico Railway Co., is the most important subsidiary of International Power Co. Its activities have been materially expanded in the past two years, new financing has been carried out and earnings in 1930 are expected to show an increase over those of the previous year.

Late in 1929 a new 7,000 h.p. hydro-electric plant was brought into operation, while other plants were rebuilt or remodelled following damage sustained in the hurricane of 1928. Operation of these units allowed the company to close down its steam plant with a subsequent reduction in working expenses.

Output Shows Increase

Output during 1930 has reflected the additional generating facilities and for the 11 months ended November 30, 1930, showed an increase of over 3,000,000 kw.h. at 32,987,000 kw.h.

To reimburse it for expenditures on capital account, an issue of $2,000,000 6 per cent debentures was made in November last year. In addition to improvements and additions to generating facilities, this expenditure covered construction of some 20 miles of new transmission lines.

Porto Rico Power Co., through an operating subsidiary, owns and operates the electric lighting and power distribution system in San Juan, the capital and largest city of Porto Rico and the principal municipalities in the eastern section of the island. International Power Co. owns about 94 per cent of the common stock outstanding.

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Pref., 7%	1,000,000	1,000,000
Par $100.		

Approximately 94 per cent of the common stock owned by the International Power Co.

Funded Debt—		
First mtge., 5%, due 1936	3,000,000	*$1,842,500
Refund. gen. mtgs., 5%, due 1962	£1,500,000	£973,333
Sinking fund debs., 6%, due 1950	$2,000,000	$2,000,000

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Net earn. from oper. after deprec.	465,147	416,565
Less: Bond interest	163,813	167,496
Other interest	38,221	......
Prov. for inc. tax	12,909	......
Net profit	250,204	249,069
Less appropriations:		
Pref. divds.	70,000	70,000
Com. divds.	120,000	120,000
Surplus for year	60,204	59,069
Add: Prev. surplus	536,158	852,136
Less: Loss by hurricane at Porto Rico	......	375,048
Bal. car. forward	596,362	536,158
Times Interest Earned:		
After depreciation	2.84	2.48
Earn. Per Share and Div. Record:		
Pref.: Earned	$25.02	$24.91
Paid	7.00	7.00
Common: Earned	6.01	5.96
Paid	4.00	4.00

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Pref.	..	..	92	84	100	85

* To March 2.

BOLIVIAN POWER

Controlled by Inter. Power

During 1929, Bolivian Power Co. acquired sites on the Zongo River, capable of developing about 20,000 h.p. and surveys are being conducted with a view to meeting the increasing power demand in and near La Paz. An initial development of 2,000 h.p. has been undertaken and completed, together with a steel power transmission line to La Paz.

The company operates the light, power, tramway and telephone undertakings in this city, which is the principal municipality in Bolivia, serving a population of about 120,000.

Power is generated in hydro-electric plants having a combined capacity of about 5,000 h.p.

Investment interest in the company is limited and about 77 per cent of the stock is held by International Power Co.

Capitalization—	Outstanding
Common	$3,000,000

A majority of the stock is owned by International Power Co.

Funded Debt—
First mortgage 8 per cent bonds, due 1945, series "A," $1,584,000.

INCOME AND SURPLUS ACCOUNT
Year Ended December 31, 1929

	$
Gross revenue	758,989
Less: Oper. expense	391,452
Net oper. earnings	367,537
Less: Depreciation	60,000
Bond interest	126,607
Other interest	57,639
Net profit	123,291
Less appropriations:	
Common dividends	60,000
General reserve	30,000
Surplus for year	33,291
Add: Previous surplus	205,533
Balance carried forward	238,824
Times Bond and Other Int. Earned:	
Before depreciation	1.99
After depreciation	1.67
Earn. per Share and Dividends Paid:	
Common:	
Earned	$4.11
Paid	2.00

NFLD. POWER

Operations Tend to Expand as Service Demand Widens

Controlled by Inter. Power

Newfoundland Light & Power Co. will begin delivery of power to Dominion Steel & Coal Corp. on Bell Island within the next few months, from its new hydro-electric development at Pierre's Brook. Construction is proceeding with an initial installation of 1,500 h.p. though the terms of the contract call for ultimate delivery of 5,000 h.p.

Laying of submarine cables from Petty Harbor to Bell Island was completed in November, 1930, and power supplied by United Towns Electric Co. is presently delivered to Dominion Steel and Coal Corp., pending completion of the Pierre's Brook development.

Provides General Service

Newfoundland Light & Power Co. operates the light, power and street railway business in St. John's. Present power development comprises about 7,000 h.p. while the company purchases additional requirements from the United Towns Electric Co.

Earnings of the tramways system showed a moderate decline in 1930, amounting to $86,713 as compared with $88,528 in the previous year. The company's franchise calls for two per cent of this amount to be paid into the city's treasury.

Investment interest in Newfoundland Light and Power is limited to its senior securities; International Power owns over 95 per cent of the common stock.

Capitalization—	Authorized	Issued
Common	$2,000,000	$2,000,000
Stock control is held by International Power through ownership of 95 per cent of stock.		
6½% 1st mtge. bonds, series "A," due 1949		$1,372,000
7% mortgage debentures due 1949		$1,000,000

San Salvador Light

Controlled by Inter. Power

Considerable expansion has been undertaken by San Salvador Electric Light Co. in the past two years and light and power systems in neighboring towns have been purchased. These properties have been connected up with the San Salvador system and it is expected that under centralized management should prove a profitable addition to the company's investments.

Surveys of a hydro-electric development at Mirazaltos have been carried out; about 4,500 h.p. is available at this site. The company now operates light and power services in San Salvador and 16 adjoining municipalities in the republic.

Oruro Electric Light

Controlled by Inter. Power

In the district of Oruro, served by Oruro Electric Light and Power Co. water power sites were capable of developing about 25,000 h.p. have been purchased. Construction of an initial development of 4,000 h.p. is in progress together with a transmission line of 10,000 k.w. to Oruro, a distance of 90 miles. Completion is expected in the summer of 1931 when a second development will be commenced.

Pending completion of this hydro-electric development, power is furnished by a diesel electric plant, which supplies power to the important tin mines in the neighboring district. There is no public investment interest in the company, which is controlled by International Power.

Demerara Electric

Controlled by Inter. Power

Demerara Electric Co. operates public utilities in Georgetown, Demerara, and in 1927, secured a 50-year franchise for the supply of light and power together with a contract for the supply of power to the city's new water sewerage system. The number of customers served totals about 3,900. International Power Co. owns 81 per cent of the funded debt and a controlling interest in the capital stock.

Capitalization—	Authorized	Outstanding
Common	$425,000	*$425,000
Par $100.		

*Over 50 per cent held by parent company.

Dividend Record—
No dividends paid since 1915.

Venezuela Power

Controlled by Inter. Power

Venezuela Power Co. operates the light and power business of Maracaibo and Barquisimeto serving about 8,200 customers. New generating plants have been constructed since the company's acquisition by International Power, while Venezuela Power secured a controlling interest in the Tocuyo Electric Light Co. in 1929. Due to the prevailing oil situation, which is an important factor in Maracaibo, operations of the company have been affected to some extent. All its securities are owned by International Power Co.

Rapid development in the pulp and paper industry has been an important factor in the growth of central electric stations.

Capital invested in central electric stations last year was greater than that recorded by any other industry.

TWIN CITY TRANSIT

Management is Sustained Though Insurrection of Minority Formidable

Management of Twin City Rapid Transit Co. faced a shareholders' insurrection at the annual meeting two weeks ago, but was sustained by a vote of 104,039 to 70,260 shares, out of a total of 220,000 outstanding. Later, the board filled a vacancy by electing one of the candidates who had been defeated. The directors, twelve in all, are elected for three-year terms.

Although the insurrection was not successful in ousting the present management, the fact that there was strong opposition is an indication of a feeling of dissatisfaction on the part of a minority group of shareholders.

Motor Car is Competitor

At one time, Twin City Rapid Transit Co. was considered a standard investment stock, with the shares representing an actual investment in excess of the par value, and the earnings as stable as could be desired.

The private automobile has proven a serious competitor and the company has been embarrassed in past years by bickerings with the civic authorities in St. Paul and Minneapolis, and occasional combats with the state legislature.

Latterly, the political situation has improved. The state railroad and warehouse commission has been inclined to treat the company fairly and there have been successive increases in fares. But each increase in fare has resulted in lower patronage, with the result that earnings have been, in the main, unsatisfactory, despite any economies which have been effected by the present management.

1927 Issue Sells Lower

Fortunately for the company, it achieved, in 1927, a major piece of refinancing on favorable terms. These bonds now are selling very much below the offering price. If the company had to finance at this time, it would be in a difficult position, for the reason that street-railway bonds at the moment are not considered good security.

The fact that some $3,708,000 of Cable Consolidated Mortgage bonds fall due in 1937—six years from the present—has caused the directors to adopt a plan of paying common dividends in scrip. The scrip represents cash which is deposited with a trustee and it is hoped that the sum will be sufficient to retire the Cable bonds in full when they fall due. If this extraordinary precaution were not taken, the directors fear that, unless the entire outlook for the railway has changed for the better, refinancing would not be possible and a property valued at some $60,000,000, in which the common shareholders' equity is closed at $35,000,000, would be endangered through the default of principal on bonds secured by a vital link in the system.

A. E. Ames is Director

Twin City Rapid Transit Co. directly or through subsidiaries, operates the street railway system in St. Paul and Minneapolis, Minn., as well as a bus service, suburban lines and an amusement park and steamers connecting therewith. It is said that residents of Canada hold more than 40 per cent of the common stock, which at one time was one of the most active issues on the Toronto Stock Exchange. The Canadian representative on the board is A. E. Ames of Toronto, who was one of the four members relected for 1930.

The capitalization of the company is well balanced, consisting of almost equal proportions of bonds and common stock, with only $3,000,000 of preferred ranking between the two other securities. The company has paid dividends on its common stock every year since 1899, but the amount has varied considerably since 1918 and the 4 per cent now is payable in scrip which can be marketed at something like half its face value. On the retirement of the Cable bonds with the cash thus accumulated, the scrip, when converted into secured dividend notes, will be exchangeable for a new series of first mortgage bonds.

While the management of Twin City appears to be making a serious effort to meet its problems, the outlook, so long as the private automobile continues to be a serious competitor in the territory served, cannot be considered as other than speculative. The company is forced to buy the greater part of the electric power it uses, with the result that it is not, in any sense, in the more favorable position of street railway companies which in recent years have developed largely as distributors of electricity for industrial and domestic use.

Capitalization—	Authorized	Outstanding
Common, *4%	$22,000,000	$22,000,000
Pref. 7% cum.	3,000,000	3,000,000
Par $100.		
*Scrip dividend.		
Funded Debt—		
First lien and refund bonds, series "A" 5½% due 1952	18,000,000	17,956,000
St. Paul Cty Ry. bonds 6%, due 1932	500,000	152,000
Bonds, 6%, due 1934	1,000,000	163,000
Bonds, 5%, due 1937	6,500,000	3,708,000
Twin City Motor Bus 1st mtgs. 5%, due 1927 to 1936	90,000	70,000

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	17¼	9½	32½	7	57½	25
Preferred†	62	41¼	†79	48⅞	96½	96½

*To Mar. 2.
†New York Exchange.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT YEARS ENDED DECEMBER 31

	1930 $	1929 $	1928 $	1927 $	1926 $	1925 $
Gross inc. from oper.	12,324,322	13,487,976	13,005,352	13,425,643	13,945,266	12,378,352
Total oper. exp. & taxes.	10,070,465	11,132,357	11,049,400	11,214,765	11,551,604	10,525,227
Net earn. from oper.	2,253,857	2,355,619	1,955,952	2,210,878	2,393,662	1,853,125
Add: Other income:						
Misc. property	3,813	4,834	9,638	7,129	......	61,919
Re unfunded securities	118,724	102,775	82,481	49,193	50,193	73,046
Income from trust fund	8,417	......	......	......	......	......
Miscellaneous	7,511	14,368	7,162	7,608	6,299	49,667
Total net earnings	2,392,322	2,477,596	2,055,233	2,274,808	2,450,160	2,037,757
Less: Rent for leased roads	3,804	3,670	3,000	3,000	3,000	3,000
Int. on unfunded debt	......	......	......	565	5,887	......
Int. on funded debt	1,208,415	1,207,610	1,205,861	991,602	995,520	988,955
Int. on sec. divd. notes	10,542					
Misc. debits	9,806	10,437	12,783	7,041	7,311	8,375
Net loss on misc. prop.	......	......	......	......	1,637	......
Amort. of disc. and exp. on funded debt†	70,969	......	......	......	......	......
Net profit	1,088,786	1,255,879	833,589	1,272,600	1,436,805	1,037,427
Less appropriations:						
Preferred dividends	210,000	210,000	210,000	210,000	210,000	210,000
Common dividends	880,000	880,000	440,000	880,000	1,100,000	880,000
Surplus for year	*1,214	165,879	183,589	182,600	126,805	*52,573
Add: Previous surplus	1,713,821	1,631,134	2,134,705	1,962,905	1,794,133	1,876,038
Adjustments	1,358	......	......	......	72,214	......
Less: Adjustments	......	83,192	687,160	10,800	30,247	29,332
Balance carried forward	1,713,965	1,713,821	1,631,134	2,134,705	1,962,905	1,794,133

* Deficit. † This item will appear each year until 1952. It applies to the discount and expense of the $18,000,000 bond issue negotiated in 1927 to refund the underlying bonds.

	1930	1929	1928	1927	1926	1925
Times Interest Earned.	1.95	2.05	1.70	2.29	2.45	2.06
Earnings Per Share and Dividend Record:						
Preferred:						
Earned	$36.29	$41.86	$27.79	$42.42	$47.89	$34.58
Paid	7.00	7.00	7.00	7.00	7.00	7.00
Common:						
Earned	3.99	4.75	2.83	4.83	5.58	3.76
Paid	4.00	4.00	2.00	4.00	5.00	4.00

SOUTHERN CANADA POWER

Output and Revenue Continue Upward March, Largely Due to Growing Industrialization of Territory Served

Affiliated with Power Corporation of Canada

Consistent growth is recorded by Southern Canada Power Co. In each of the past two years the company has reported larger earnings, growth in power consumption, extension of the transmission and distribution system, as well as in the amount of power made available to meet the growing demand.

During the past year Southern Canada brought into operation the new Burroughs Falls plant, increasing generating capacity of all units from 63,000 to 65,000 h.p. New electrical appliance stores were opened, distribution and transmission systems extended and the number of its customers increased.

For the twelve months ended September 30 last—the end of their fiscal year—output of electric energy totalled 170,685,947 kw.h. as compared with 154,528,950 in the preceding year.

Attract New Industries

One of the principal reasons for the consistent growth in the sale of electric energy by Southern Canada Power is the active and well directed efforts put forth by that company in the further industrialization of the area served. Due primarily to low-cost power, fine transportation facilities, plentiful labor and proximity to the largest market in Canada, Southern Canada territory has attracted a large number of industries from the United States and elsewhere. This has not only resulted in an increase in the power load, but a greater demand for domestic lighting purposes.

Following its usual custom, Southern Canada Power again offered preferred stock to its customers in the fall of 1930. Approximately 10,600 shares were subscribed for by customers to be paid on the installment plan. This is the sixth time that the company has made such an offer.

Current Revenue Steady

Current operations of Southern Canada Power continue along satisfactory lines. During the three months ended December last, net earnings totalled $394,433, as against $382,294 in the corresponding period of 1929, an increase of 3.18 per cent. Various extensions have been made to the company's transmission system, while all the generators are now wound for the supply of 60 cycle power. The number of communities to which the company is supplying electric light and power has been increased to 117.

Power Corporation of Canada, has a substantial stake in and manages Southern Canada Power. At the end of June last, Power Corp. owned 112,982 shares of a total of 400,000 shares of no par value common stock outstanding. There is, moreover, a wide investment interest in the first mortgage bonds, preferred stock, and common stock.

Capitalization—	Authorized	Outstanding
Preferred 6% cum.	$10,000,000	$5,884,600
Par $100.		
Common $1	500,000 sh.	400,000 sh.
No par value.		

In Oct., 1930, 10,600 shares of preferred stock were sold at $106 to customers of the company.

Funded Debt—
1st mtge. bonds, 5 per cent, due 1955, series "A" outstanding $6,000,000.

Market Record:

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended September 30

	1930 $	1929 $
Revenue:		
Electric rev.	1,901,544	1,707,510
Misc. rev.	355,877	388,402
Gross earn.	2,257,421	2,095,912
Less oper. charges:		
Pur. power	69,062	30,922
Operation	432,430	400,834
Taxes	136,043	128,997
Maintenance	211,415	186,610
	848,950	747,363
Net earnings	1,408,471	1,348,549
Less:		
Interest	341,461	342,977
Deprec. res.	225,770	209,590
Bad debts res.	2,820	4,190
Net profits	838,420	791,792
Less appropriations:		
Pref. div.	352,034	298,539
Com. div.	388,784	388,784
Surplus for year	97,602	104,469
Add:		
Previous surplus	339,281	243,812
Bal. forward	436,883	339,281

†Includes street railway gross earnings, merchandise net profits, earnings from investments, etc.

	1930	1929
Times Interest Charges Earned:		
Before depreciation	4.12	3.93
After depreciation	3.46	3.32
Earnings Per Share and Dividend Record:		
Preferred: Earned	$14.25	$15.91
Paid	6.00	6.00
Common: Earned	1.22	1.23
Paid	1.00	1.00

Earnings for Four Mos., ended January 31:	1931 $	1930 $	Inc. %
Gross ear.	832,978	783,209	6.35
Oper. exp.	306,299	269,011	13.86
Net earn.	526,679	514,198	2.43

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Pref.	106¼	104¾	107	103½	110	102
Com.	31½	30	37½	24	†64½	32½

†New n.p.v. stock.
*To March 2.

SHERBROOKE RAILWAY
(Controlled by Southern Canada Power)

Capitalization—	Authorized	Outstanding
Common	$1,500,000	$1,127,000
Par $100.		

Southern Canada Power owns $1,114,500 of the outstanding capital stock. No dividends paid.

Funded Debt—

Sherbrooke Street Railway, 1st mtge., 5% bonds, due 1940, outstanding $657,500.

These bonds were allowed to remain outstanding with interest being paid regularly, under agreement with the bondholder.

Sherbrooke Rly. and Power, 1st mtge., 5% bonds, due 1940, outstanding $657,500.

Consolidated gold bonds, 6%, due 1940, outstanding $500,000.

Capitalization—	Authorized	Outstanding
Common	$500,000	$500,000
Par $100.		

All acquired by Central States Power & Light Corp. in 1929.

Funded Debt—
1st mtge. bonds, 6½ per cent, due 1951, issued $491,000.

Expend N. B. Telephone

At the annual meeting of the New Brunswick Telephone Company, here, it was announced that between $750,000 and $1,000,000 will be spent on the company's plant during the present year including the completion of the automatic system in Saint John.

CANADIAN MARCONI

Asked to Participate in Overseas Communication Company

Shareholders of Canadian Marconi Co. have been interested in the recent proposals set forth by Sir Basil Blackett, chairman of Imperial and International Communications, Ltd., that the Canadian Pacific, the Canadian National and Canadian Marconi Companies should become partners with the I. I. C. in forming a Canadian overseas communication company. As yet no definite agreement has been made in respect to this suggestion.

Apart from this angle of the situation surrounding Canadian Marconi, tangible expansion was undertaken last year in construction of a new radio factory at Mount Royal near Montreal. Production includes radio sets, all types of wireless telephone and telegraph equipment, aeroplane installation and teletype apparatus.

Operations of this unit should be an important factor in earnings in the future, though what effect it had in revenue for 1930 remains to be seen. The company has published no interim earnings figures.

In its communication division, Canadian Marconi operates about 30 land stations on the east coast of Labrador and Newfoundland. In 1927 the company erected two beam stations in Quebec for the exchange of beam wireless messages with England and Australia.

While earnings have shown some improvement in recent years, there has been a comparatively small surplus applicable to the common shares. Working capital at the end of 1929 was satisfactory with current assets over eight times current liabilities.

Capitalization—	Authorized	Outstanding
Common (Shares $1 each).	$7,500,000	$4,564,[illegible]
Funded Debt—		
None.		

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Net earnings	*506,221	†181,591
Less: Depreciation	205,914	......
Res. for taxes	......	8,921
W. O. patents and pat. rts.	137,500	......
Net profits	162,807	172,664
Add: Prev. surplus	281,566	108,902
	444,373	281,566
Earnings Per Share	3½c	3¾c

No dividends paid.
†After depreciation
*After taxes.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common†	4½	1⅞	†9⅛	1⅝	12⅝	8

*To Mar. 2.
†New York Curb.

Keenleyside is New Head of Toronto Indus. Comm'n.

At a meeting of the board of directors of the Toronto Industrial Commission, H. B. Keenleyside, chief industrial engineer of the commission, was appointed general manager in the stead of Main Johnson who has resigned.

C. H. Carlisle, president of the Toronto Board of Trade was added to the board of directors, and Frank Waterman, the chairman of the Toronto branch of the Canadian Manufacturers' Association, was appointed to the executive committee.

What
POWER
CORPORATION
Means to Canadians

POWER CORPORATION OF CANADA, LIMITED ..... a vital force in the upbuilding of the Dominion ..... is devoting its resources and energies to the development of one of Canada's greatest natural assets -- her water powers.

The Company's revenue is derived from sources widely diversified :-- from services rendered by its Managing and Engineering Departments, from its interests as a holding Company controlling many Canadian utilities, and from investments in the securities of public utilities and leading industries.

Power Corporation has an interest in every large utility Company in Canada through which power is supplied to cities and towns for domestic purposes, and to industry in all its branches -- textile, pulp and paper, mining, dairying, meat packing and agriculture.

Thus the Company's interests are Dominion-wide, and its operations contributing daily to the industrial growth of Canada.

We recommend Power Corporation Common Stock as an attractive investment at current market quotations.

Controlled or affiliated companies of Power Corporation of Canada Limited

- Southern Canada Power Company Limited
- Canada Northern Power Corporation Limited
- Northern Ontario Power Company Limited
- Northern Quebec Power Company Limited
- Winnipeg Electric Company
- Manitoba Power Co. Limited
- Northwestern Power Co. Limited
- East Kootenay Power Co. Limited
- Northern B. C. Power Company
- B. C. Power Corporation Limited

Our Objective:—Every Canadian Investor a Shareholder

NESBITT, THOMSON
and Company Limited
355 St. James Street West, MONTREAL
Quebec Ottawa Toronto Hamilton London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver

BRAZILIAN TRACTION LIGHT & POWER CO.

Revolutionary Disturbances, Unwieldy Coffee Surplus and Unstable Milreis Somewhat Cloud Fine Record of Progress in Brazil of Canada's Greatest Foreign Public Utility

Brazilian Traction, Light & Power Co., Limited, is the largest foreign enterprise controlled by Canadian capital. Its operating subsidiaries in Brazil together make up one of the most important public utilities in any country outside the United States. The operating subsidiaries have made substantial and rapid progress in the years since the great war, and the opportunities for further expansion when business conditions permit in Brazil are admittedly great.

The company has demonstrated over a term of years that it has been soundly financed, excellently managed and therefore the various security issues have found wide distribution in Canada, Great Britain, United States, Belgium, France and elsewhere.

Owing to the fact that the earnings of the company are in great part in milreis and have to be translated into dollars before the Canadian shareholder can receive his dividend, Canadians have a more than ordinary interest in the state of business in Brazil, and in the economic troubles which at present have virtually prevented the company for a time from sending its funds out of Brazil in order to pay dividends. To the Government the necessity of maintaining the milreis at a reasonable figure takes the foremost place and every direct or indirect pressure which helps to that end is doubtless being exercised.

Pays Stock Dividends

Brazil last year, on top of an economic crisis caused by the piling up of enormous surpluses of coffee and the consequent drop in price which had very serious effects in the coffee-growing districts, had a Federal revolution which changed the Government and which at the same time has changed the policies toward marketing coffee. The only effect on Brazilian Traction has been the dislocation of business which preceded, accompanied and followed the revolution and which has made it switch from a cash dividend policy to a stock dividend policy for the time being.

The outlook is not altogether gloomy. Dr. Vargas, the new president, has shown a great willingness to take every sound measure to improve the situation. He has had lent to him Sir Otto Niemeyer by the Bank of England, a man with a high reputation for helping governments clean up financial messes.

Brazilian Traction, Light & Power Co. was incorporated in 1912 to acquire through exchange of stocks, the following companies: The Rio de Janeiro Tramway, Light & Power Co., Ltd., for each share of which one and three-fifths shares were given; The Sao Paulo Tramway, Light & Power Ltd., for each share of which two and three-quarter shares were given; and the Sao Paulo Electric Co., Ltd., for each share of which one share was given. Over 99 per cent of the outstanding capital stocks of these companies was thus acquired.

Covers Wide Field

The Brazilian Hydro - Electric was formed to acquire water power sites on the Parahyba River, about 100 miles from Rio de Janeiro, for which concessions for development and distribution had been secured.

The City of Santos Improvements Co., Ltd., was acquired in January, 1929, by purchase of a large majority of the ordinary shares at £2 17s. 6d. per share.

During 1927 and 1928 the company acquired 10 electrical and 11 telephone enterprises within the territory conveniently served by subsidiaries of the company.

During 1929, the Sociedade Anonyma Kenworthy and the Empreza Itapecericana de Luz e Forca, two small electrical enterprises operating in the vicinity of Sao Paulo, were acquired by The Sao Paulo Tramway, Light & Power Co., while the Empreza Forca e Luz de Floriano was acquired by The Rio de Janeiro Tramway, Light & Power Co.

In addition to the above purchases, various additions were made to the systems of nearly all the subsidiary companies, and a few concessions were obtained. Fuller details will be found under each company.

In May, 1930, an arrangement was made by which the electrical connections of the company were hooked up with the electrical system of American and Foreign Power at Rio de Janeiro and Sao Paulo. The arrangement is expected to provide an outlet for some of the surplus power of Brazilian Traction.

Has Vast Assets

As at Dec. 31, 1929, the power plants of the company had a capacity of approximately 400,000 horsepower with another 60,000 h.p. in course of construction. Practically all installations are hydro-electric. The power stations operated by the company are as follows:

Plant	Capacity h.p.
Rio de Janeiro—	
Parahyba	100,000
Lages	62,500
Steam plant	13,400
Plant	**Capacity**
Sao Paulo—	
Parahyba	24,000
Sorocaba	74,000
Rasgao	32,000
Serra	80,000
Salto	15,000
Steam plant	13,400

An additional unit is being added to the Serra development (60,000 h.p.) which has a potential capacity of over 300,000 h.p. There are, in addition, a number of small local plants which have been acquired in the past few years.

Consumption of electrical energy has shown a rapid increase since 1925, when a prolonged period of drought caused a power shortage. The construction of several new power plants and storage reservoirs, which has been under way for the past few years has minimized the possibility of another shortage on account of lack of water. The company during 1927, 1928 and 1929 acquired a number of small local companies in order to extend the services rendered by the present power plants.

During the year ended Dec. 31, 1929, a total of 816,557,897 kw.h. was sold to 301,196 consumers.

Operates Tramways

The company operates electric street railways and suburban railways over 545 miles of track and bus lines over routes of 223 miles. The number of passengers carried has increased steadily during the past 10 years and in 1929, 719,864,725 passengers were carried. The companies operate under exclusive franchises terminating in 1940 and 1941.

Gas Sales Gain

Gas is manufactured in Sao Paulo and Rio de Janeiro and gas sales have risen rapidly since 1922. The number of consumers in 1929 was 70,479 and the gas sold amounted to 111,837,003 cubic metres. During 1927, 1928 and 1929 new equipment was installed in both Rio de Janeiro and Sao Paulo.

Telephone System Grows

The telephone system operated by the Brazilian Telephone Company has shown a gradual growth which quickened in 1928. In the Federal District of Rio de Janeiro the validity of the company's franchise was questioned and was before the courts from 1924 to 1928. Early in 1929 the Supreme Federal Tribunal rendered a final decision in favor of the company and immediate steps were taken to extend the service by installing new equipment. A number of automatic exchanges have been installed or are under construction. At Dec. 31, 1929, 105,499 telephones were in service and 7,466 miles of pole line. The company serves an area of over 83,800 square miles in the three federal districts.

Changes in Capital Structure

Brazilian was incorporated in 1912 with an authorized capital stock of $120,000,000 divided into 1,200,000 shares of $100 each, of which 1,041,772 shares were originally issued in exchange for shares of companies which entered the consolidation. In May, 1913, a new issue of $10,000,000, 6 per cent preference stock was authorized and issued, and offered at par to shareholders on the basis of one new share for every fifteen shares of ordinary stock held.

On Jan. 5, 1928, shareholders authorized an increase in the capital stock from $120,000,000 to $200,000,000 by the creation of 800,000 additional shares of $100 par value. These new shares were offered to shareholders at par on the basis of one new share for every five shares held. The shares were payable in installments, the last payment for which fell due Dec. 1, 1928. Approximately 228,000 shares of $100 par value were subscribed for in this way. The shares rank for dividend from Dec. 1, 1928.

On May 1, 1928, ordinary shares of $100 par value were converted into shares without par value, in the ratio of four new no par value shares for each old $100 share.

In order to finance the purchase of the City of Santos Improvements Company, additional no par value common shares were offered to shareholders of record Feb. 15, 1929, on the basis of one additional share for each seven shares held, at price of $40 per share.

Dividend Record is Good

Dividends on preferred stock which has been converted into common stock at such a rate that there remains outstanding of $10,000,000 only $417,500, have been paid in every year since the company was formed in 1912. The common dividends have been paid in every year as well except 1918, 1919, 1920 and 1921, years of great disturbance to business and therefore to the milreis, until the revolution in November, 1930, when the rate was $2 per share per annum. This is equivalent to 8 per cent per annum on the old stock of $100 par value. A stock dividend at 1 per cent was declared payable March 1, 1930, in addition to the regular dividend. At present dividends are being paid in stock.

To all intents and purposes the only outstanding capitalization that Brazilian Traction has at present is ordinary or common stock. Brazilian Traction has no funded debt of its own. The consolidated funded debt of the subsidiaries of the company at the end of 1929, however, amounted to $60,184,201 as compared with $65,000,000 at the end of the preceding year.

While funded debt of subsidiaries has been decreasing in the cases of Rio de Janeiro Tramway, Light & Power Co., and Sao Paulo Tramway, Light & Power Co., working capital has shown a steady growth, and various reserves have been increased, while the surplus has mounted every year. The total assets are shown at $368,956,553 and in 1924 they were only $265,769,935.

Gold Earnings Grow

Though it is true that the business situation, the exchange fluctuations and the position of coffee in Brazil deservedly bulk large in the mind of the trader in considering the stock of this company, note must be taken of the statements coming from semi-official sources, that half the earnings of the company from electricity, gas and telephone services are payable in gold or on the basis of gold. This would give the company a better basis to exchange its milreis earnings into dollars or pounds for export to pay interest due from time to time on bonds of subsidiaries, to provide sinking fund required and to pay dividends on common stock. It pays on a gold basis as well for coal and oil imported, as well as for machinery when required for extensions or betterment. The present quotations of milreis at 8.22 cents each cannot be altogether depended upon while artificial restraints upon business and upon export of funds remain. The lowest average rate at which the company converted its milreis into gold since the war, until 1930, was in 1923, when 10.367 cents to the milreis was realized. In 1929 revenue showed a sufficient increase over 1928 to make up for a decline of 2 cents in the dollar value of the milreis. The milreis was stabilized in 1926 at 5.899 pence or 11.96 cents in dollar currency. At 8.22 cents, the present quotation, there has been a serious decline. During 1927 and 1928 rates were steady, but the coffee crisis ended for a time the relative stability acquired.

Investment in property, plant, equipment and construction had increased from $122,607,215 at the end of 1924 to $196,764,671 at the end of 1929, and the investment in subsidiary companies from $67,804,058 to $88,620,448. The amount shown for rights, franchise, contracts and goodwill has dropped in the same time from $50,778,960 to $46,775,756. Current assets increased in the same period from $18,616,159 to $26,792,417, current liabilities paid with an increase from $5,878,946 to $10,104,621.

Through all the period from 1912 to date in spite of war, three major coffee crises and great exchange difficulties at times, the company has been able to follow a liberal dividend policy except on the common stock for the few years mentioned. The statement of combined earnings and expenses of the tramways, gas, electric lighting, power and telephone services, operated by subsidiary companies controlled by this company, for 1930 amounted to $46,898,444 and the operating expenses to $19,348,850, leaving net earnings of $27,549,594 as compared with net earnings of $28,052,962 in the preceding year. This includes the period of the revolution when for a month or so business was paralyzed. Decreases were shown for the four last months of the year.

Brazil's Debt is $2,000,000,000

Some information about Brazil is necessary for a Canadian to judge of the future possibilities of the company. It is an immense country with great resources. It was originally a Portuguese colony, but independence was declared in 1822 and a monarchy established. The monarchy gave way to a republic in 1889 and a new constitution was adopted on February 24, 1891, which provided for 20 states and one federal district with a federal government at the head. Each state has its own local government with the exception of the federal district, which has a municipal council, and each state has distinct and independent administrative, legislative and judicial institutions. The federal government has no power to intervene in the local government of the state.

The nation and its various states have together an external and internal debt of less than $2,000,000,000. Great Britain is the heaviest creditor, holding a total of $821,000,000 out of a total external debt of $1,318,000,000. At the end of 1929 the federal external debt alone was $667,903,377, of which $506,828,667 was owed to Britishers.

Brazil's Record Spotted

The financial history of Brazil has been except for twelve years a tale of uninterrupted deficits for 40 years. British financial interests have been called in from time to time to study the situation and to make reports as to the best means of rehabilitating the country's finances. Important recommendations were made in 1923 but were not followed though there was a gradual improvement from that time. In 1926 the deficit was only 32,000,000 paper milreis, and in 1927 the long list of deficits changed to a surplus of 25,000,000 paper milreis, in 1928 to 295,000,000 milreis and in 1929 to 175,000,000 milreis.

The principal export crops are coffee, cocoa, sugar, chocolate, tobacco and cattle, with coffee most important and most depressed. Maize and

(Continued on page 28)

Giant Equipment Furthers Work on Beauharnois Project

Through the use of unusually large equipment, Beauharnois Power Corp. has not only lived up to, but has exceeded, the schedule of operations. Work was started early last spring and continued throughout the fall and winter months. As this picture shows night operations were a regular occurrence during the open season of construction. The section illustrated is the site for the power house, where an initial installation of 200,000 h.p. will be ready by the beginning of October, 1932. An appreciation of the immense size of equipment used may be gained by a knowledge of the fact that the arm of the crane extending across the picture is equivalent in length to the height of a nine-story building.

POWER!

POWER is the forerunner of INDUSTRY . . . Where Power is developed and made available, Industry soon follows.

BRITISH COLUMBIA

is attracting close attention by her activity in Water-power Development . . . Of her potential Six Million horse-power, 631,000 horse-power is actively at work . . . and schemes under construction at the moment will increase this to 750,000 horse-power . . . Still other and larger developments are contemplated.

A vast emporium of Raw Materials . . . of timber, coal and minerals . . . with abundance of power for their refinement . . .

BRITISH COLUMBIA

stands today upon the doorsill of her great industrial epoch . . . Her progress and expansion is inevitable.

Already she leads the Dominion in per capita wealth, per capita production and per capita purchasing power . . . is Canada's foremost producer of timber and fish . . . of silver, lead and zinc . . . has the world's largest metallurgical plant, the world's largest fish storage plant.

BRITISH COLUMBIA

is the Half-way House of the British Empire . . . occupies an impregnable position on the trade routes of the world, and in relation to the new world-centre in the Orient.

Her ice-free ports, with their splendid terminal facilities . . . the fifty steamship lines which use them regularly . . . her great transcontinental railroads . . . make her the logical distributing point for a huge territory of incalculable richness.

Her climate is ideal for the development of the highest industrial efficiency . . . her social amenities make for contentment and a high standard of living . . . her educational facilities are excellent.

Enquire into BRITISH COLUMBIA's Industrial Offerings and Opportunities. Full information from official and authoritative sources is at your service.

Bureau of Provincial Information
VICTORIA, B.C.

A RESPONSIBLE AND EFFICIENT SERVICE TO SEVENTY THOUSAND SATISFIED CUSTOMERS

is the result of constant and careful watchfulness in order that Production, Transmission and Distribution Systems may be maintained at a uniformly high level of efficiency.

THE
UNION NATURAL GAS
COMPANY OF CANADA LIMITED
CHATHAM - - ONTARIO

AND AFFILIATED COMPANIES:—
The Windsor Gas Company, Limited
The Chatham Gas Company, Limited
The City Gas Company, Limited, London, Ont.
The Hamilton By-Product Coke Ovens, Limited, Hamilton, Ont.
United Gas and Fuel Company of Hamilton, Limited
United Suburban Gas Company, Limited, Hamilton, Ont.

Federal Report Shows Central Electric Stations Continue Consolidation

Trend Toward Bringing Small Producers Together

GAIN IN CUSTOMERS

General Expansion Recorded in All Divisions of Industry Seen in Survey

Capital invested in central electric stations in 1928 was $956,919,603, or more than twice the investment in 1920, and an increase during the year of $90,094,318, according to the latest report prepared by the Dominion Bureau of Statistics. This was a larger capital expenditure than Canadian railways reported and the total investment to the end of the year was greater than for any other Canadian industry, except railways and agriculture.

Rapid development of the pulp and paper industry has been an important factor in the growth of the central electric stations. In 1928 the motors in the pulp and paper mills, which were operated on power purchased from central electric stations, had a rating of 859,017 horsepower, or 36 per cent of the total rating of all such motors in manufacturing industries and mines, having increased in capacity by 520 per cent since 1920.

Reduce Number of Operators

During 1928 the net reduction in the number of organizations producing electric energy for sale was 97, which was effected largely through the acquisition of small plants by larger organizations.

These consolidations provide in most cases interconnection of power plants which makes possible a better load factor and better utilization of equipment and also a more reliable source of power for consumers. During the year 79 small plants in Alberta and Saskatchewan were acquired by five large companies. In some cases the old plants were retained, but in the majority of cases they were dismantled and energy supplied from larger plants over transmission lines linking up several municipalities.

Also, during the year, the Saskatchewan Power Commission made a report recommending the purchase of the municipal plants at Regina, Moose Jaw and Saskatoon to form the nucleus of a provincially operated system, and, as a first step in this direction, the Saskatchewan government entered into negotiations with Saskatoon for the purchase of the plant belonging to that city.

In Quebec, four large companies and their subsidiaries took over 25 organizations and mergers of less extent occurred in other provinces. Of the total output, 17 large organizations generated over 90 per cent and the largest, the Ontario Hydro-Electric Power Commission, generated 25 per cent.

Achieve New Feat At Chute-a-Caron

One of the features of hydro construction work last year was the striking engineering feat carried out at Chute-à-Caron by Alcoa Power Co. An immense concrete obelisk was dropped into the bed of the Saguenay River blocking the channel in the course of a few seconds.

Owing to the depth of the channel which was from 25 ft. to 40 ft. deep and the velocity of the current which was from 20 ft. to 30 ft. per second, the usual type of crib cofferdam would have involved much labor and expense.

Engineers, accordingly constructed an obelisk 92 ft. high and 45 ft. wide, while one side was formed to fit as nearly as possible the bed of the river. The structure rested on a pier arranged so that the river side could be shot off, thus leaving the obelisk unsupported on that side.

The plan was successful. The obelisk landed within one inch of its calculated location. The total cost of the operation was around $75,000, as compared with a possible $350,000 had the usual means been used.

The ratio of output to rated capacity of generators, with allowances made for generators in place only a portion of the year, was 51.2 per cent for the industry as a whole, which was the highest yet attained in any year since the census has been taken. In a general way, this ratio indicates the relationship of supply and demand, and, since lighting loads and many power loads are on for less than 12 hours each day, it is quite apparent that 51.2 per cent is high.

There are several factors which have assisted the industry in attaining this high efficiency, the more important being the increasing use of electricity for both power and light, the heavy load of the pulp and paper mills and mines which are operated 24 hours each day in the majority of cases, the interconnection of stations, and the disposal of off-peak power. The installation of electric boilers by pulp and paper mills has supplied a market for some of the off-peak power and the export of surplus power by the Hydro-Electric Power Commission in Ontario has also assisted materially. The interconnection of stations permits a smaller reserve equipment and a better use of equipment. Also, with a larger field, the diversification of loads is generally increased and the load factor improved.

The groups of fuel stations, which are mostly small local plants, showed ratios ranging from 3.8 per cent to 30.8 per cent, whereas in the hydraulic groups ratios ranged from 4.2 per cent to 57.6 per cent, the latter being attained by the municipal hydraulic stations in Ontario.

The net decrease in the number of power plants operated was 28, the largest increase being 9 in British Columbia and the largest decrease being 26 in Alberta.

Ontario stations continued to show the largest capital, viz., $396,344,873, but Quebec stations, which were second with $371,750,195, showed an increase of $63,170,036 during the year as against an increase of $3,300,996 in Ontario. The increase of $90,094,318 for all provinces was divided, $86,839,435 for commercial stations and $3,254,883 for municipal stations. It should be understood that this capital is as at December 31, 1928, and, for some stations, covers dams, storage basins, etc., necessary for future installation of water wheels, and consequently increases averages per horsepower of installed equipment.

Revenues for the year amounted to $112,326,819, which was an increase over the 1927 revenues of $8,293,522, or 8 per cent. These revenues are for the industry as a whole and exclude payments between stations, and consequently include only revenues received from the consumers.

Quebec Average Lowest

The average revenue per kilowatt hour generated was 6.9 mills as against 7.2 mills for 1927. The Quebec stations showed the lowest average of only 4.7 mills. Manitoba stations were next with 5.6 mills and Ontario stations third with 7.9 mills. These averages are for electricity generated, including line and transformer losses which run as high as 25 per cent on some systems with extensive transmission lines, and not for the current as measured at the customers' meters. They are also affected by the quantity of power sold to large customers, especially to customers operating 24 hours each day and off-peak and surplus power to pulp mills. These averages should not be considered the cost of electric energy to customers, nor even as reflecting the relative cost except in a very broad way. On account of the unit cost varying with the nature of the load and also with the size of the load and the consumption, the only accurate method of comparing costs in different provinces or municipalities is to compare the cost of specific loads and specific consumptions.

Details Power Revenue

The average revenue per power customer was $2,365 in Quebec, $1,720 in Ontario, $1,330 in British Columbia, $894 in New Brunswick, $765 in Prince Edward Island, $587 in Nova Scotia, $579 in Manitoba, $428 in Alberta, and $411 in Saskatchewan. These averages, however, give only a very rough idea of the relative sizes of the average power loads and the number of kilowatt hours consumed per customer, due to the system of decreasing the unit price as the load and consumption increase. Consequently, the spreads between the average consumptions per power customer would be much greater than the spreads between these average power bills.

The expenses, amounting to $62,330,860, included only the four items of salaries and wages, fuel, taxes and cost of power, the last being an inter-industry expense incurred entirely by the method of distribution. Over 62 per cent of the total cost of power was paid by Ontario stations, mainly by the municipalities buying power from the provincial commission. Salaries and wages increased by $1,141,105 and taxes were heavier by $462,020.

The number of customers amounted to 1,464,005, as against 1,381,968 for 1927. This increase of 82,037 included 64,945 domestic light, 16,297 commercial light and 795 power customers. Commercial stations served 46 per cent of the total customers, 45 per cent of domestic light customers, 51 per cent of commercial light customers and 49 per cent of the power customers, but produced 70 per cent of the output, indicating that the average consumption per customer of commercial stations was very much higher than the average of municipal station customers.

The average number of domestic light customers per 100 population, using the Bureau's estimate for the 1928 population, was 12.50 for Canada with British Columbia showing the highest provincial density of 19.57. Ontario was second with 16.01, Quebec third with 13.00, and Manitoba fourth with 11.00. Alberta, Nova Scotia and New Brunswick were close with averages of 8.29, 7.04 and 6.97, respectively, and Saskatchewan and Prince Edward Island had 4.35 and 3.73 domestic light customers per 100 population.

The difference in the sizes of households will affect these averages; using the 1921 average number of persons per household gives the following number of domestic light customers per 100 households: British Columbia, 77.8; Quebec, 68.3; Ontario, 67.9; Manitoba, 51.4; New Brunswick, 34.8; Alberta, 33.8; Nova Scotia, 33.7; Saskatchewan, 19.2; Prince Edward Island, 17.6; and Canada, 57.1. The concentration of population in the large cities is undoubtedly the chief factor in the high averages .

Add to Pole Mileage

The pole line mileage of transmission lines increased by 2,081 miles, or 17 per cent, and of distribution lines by 1,679 miles, or 8 per cent. The largest provincial increase was in Ontario with increases of 185 miles of transmission and 1,309 miles of distribution line. Alberta showed an increase of 993 miles of transmission pole line, Saskatchewan showed 382 miles of transmission line for the first time and an increase of 133 miles of distribution line, and Quebec stations showed a net increase in transmission lines of 519 miles. These mileages are route miles and not circuit miles.

Turbine Installation by Provinces

(At the End of Each Year Shown)

IN HORSEPOWER

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	191
British Columbia	9,366	9,366	13,266	20,346	26,396	29,334	45,816	58,570	58,610	63,048	64,474	119,393	165,838	224,680	252,690	254,265
Alberta	280	280	280	355	355	355	355	355	655	655	655	14,855	15,035	32,835	33,110	33,110
Saskatchewan	...	...	...	...	...	...	...	...	...	...	30	30	30	30	30	30
Manitoba	1,000	1,000	1,000	1,000	1,000	1,000	38,800	38,800	38,800	38,800	38,880	64,800	64,800	64,800	78,850	78,850
Ontario	53,876	62,788	77,022	79,909	111,697	202,896	279,028	345,404	410,079	437,613	490,821	634,263	659,190	751,545	858,534	871,309
Quebec	82,864	139,149	152,783	164,258	179,468	183,799	205,211	242,582	269,814	305,556	334,763	468,977	513,635	551,871	664,139	803,786
New Brunswick	4,601	4,601	4,636	7,427	8,459	8,594	10,134	10,172	104,07	105,07	11,197	13,635	15,185	15,185	15,380	15,405
Nova Scotia	19,810	20,132	21,944	23,518	26,228	26,563	26,952	27,977	28,419	29,381	31,476	32,226	32,773	32,964	33,469	33,596
Prince Edward Island	1,521	1,581	1,641	1,641	1,641	1,663	1,701	1,701	1,701	1,734	1,760	1,760	1,785	1,825	1,843	1,942
Yukon	5	5	5	5	5	5	5	2,085	2,095	3,195	3,195	13,195	13,195	13,195	13,199	13,199
CANADA	173,323	238,902	272,577	298,459	355,249	454,209	608,002	727,646	820,580	890,489	977,171	1,363,134	1,481,466	1,688,930	1,951,244	2,105,492

	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
British Columbia	288,330	297,169	307,533	303,364	309,534	310,262	329,557	356,118	360,492	443,852	463,852	475,232	554,792	559,792	630,792	....
Alberta	33,110	33,122	33,122	33,122	33,122	33,122	33,122	33,122	34,532	34,532	34,532	34,532	34,532	70,532	70,532	....
Saskatchewan	30	30	35	35	35	35	35	35	35	35	35	35	35	35	42,035	....
Manitoba	78,850	78,850	85,325	85,325	85,325	99,125	134,025	162,025	162,025	183,925	227,925	255,925	311,925	311,925	311,925	....
Ontario	921,158	955,955	981,313	1,036,550	1,057,422	1,165,940	1,305,536	1,396,166	1,595,396	1,802,562	1,808,246	1,832,655	1,903,705	1,952,055	2,088,055	....
Quebec	836,394	856,769	905,303	936,903	955,090	1,050,338	1,099,404	1,135,481	1,312,550	1,749,975	1,886,042	2,069,518	2,387,118	2,595,430	2,718,130	....
New Brunswick	15,480	16,251	16,311	19,126	21,976	30,976	42,051	43,101	44,521	44,271	47,131	47,131	67,131	112,631	133,681	....
Nova Scotia	33,656	34,051	34,318	35,193	37,623	48,908	49,142	50,331	65,572	65,637	66,147	68,416	74,356	109,124	114,224	....
Prince Edward Island	1,962	1,989	2,198	2,233	2,233	2,252	2,274	2,274	2,274	2,274	2,274	2,274	2,439	2,439	2,439	....
Yukon	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	13,199	....
CANADA	2,222,169	2,287,385	2,378,657	2,470,050	2,515,559	2,754,157	3,008,345	3,191,852	3,590,596	4,338,262	4,549,383	4,798,917	5,349,232	5,727,162	6,125,012	....

BRAZIL. TRACTION

(Continued from page 27)

cotton are large crops, but are used locally. Tobacco is important to the Southern States, which also are growing in importance as cattle regions. The cattle of the Republic are already estimated at 30,000,000 head, pigs at 18,000,000, horses at 9,000,000, sheep at 7,500,000 and goats at 7,000,000.

Pooled Coffee

Much of Brazil's present situation is due to an unsound attempt to stabilize the price of coffee. The first attempt made in 1907-1908 produced a coffee surplus which was not finally liquidated until eight years later with the help of the world war and some crop failures. The second venture of 1917-18 which was financed by paper money as an emergency war measure, was liquidated with a large profit due to the severe frost of 1918.

A third attempt known as the coffee defense scheme, planned to retain coffee stocks in interior warehouses, only marketing them as required in the markets of the world. The idea is much the same as that of the Canadian wheat pool. The Coffee Institute of Sao Paulo, founded in 1924, successfully set prices at a high level until the crisis of October, 1929. The higher prices caused new land to be planted not only in Brazil but elsewhere in the world. It takes five years for a tree to bear. The crop of 1927-28 at 28,334,000 bags exceeded a year's consumption of the world but stocks have not been reduced materially since then and cannot be as new trees keep coming in. A crisis came in October, 1929 and coffee dropped to levels below cost of production. A loan was secured on the basis of an agreement by which the crop must be marketed as produced and 1,650,000 bags of the accumulated coffee surplus will be released as well by the bankers every year until the surplus is liquidated.

Coffee is only one of Brazil's resources and its final come-back may be taken for granted. It was once the principal world's source of rubber and there is a good market in Brazil for lumber. The mineral resources though not much developed, are great, especially in iron ore deposits which are of high grade and among the world's most important. The coal is of inferior quality. There is also manganese, gold and precious stones.

The textile industry, heavily protected, is the principal one. There are also woollen, footwear, cigarettes, mats, wall paper and agricultural machinery industries. The trade situation is dominated by coffee and the largest business is done with the United States from which it imports 26.6 per cent of the total imports, and to which it exports 45.4 per cent of Brazil's total export.

Reforming Bank of Brazil

The Bank of Brazil is a government bank and the only one with authority o issue notes. Founded as a merger of two existing banks in 1930, this bank was reorganized in 1892, 1898 and 1905. The bank was periodically embarrassed during its early years by inflations of the note issues. Attempts to inflate note issues have occurred frequently in Brazil and it is one of the least satisfactory characteristics of the country. Its present president is now engaged in far-reaching reforms of the banking system.

There is no color line in Brazil, the native population representing fusion of Portuguese, who discovered Brazil in 1499, with Indians, negroes who were brought in in considerable numbers as slaves, and immigrants from Germany, Italy and Holland. General agricultural and stock raising, in spite of mineral wealth, still remains the chief industry. Numerous waterfalls and abundant raw materials have made of the south central region an important industrial centre, and have given Brazilian Traction its opportunity as a great public utility enterprise of supplying power, light, telephone and transportation services.

When coffee prices were at the artificially maintained levels, growers entire costs for each 132 pound bag reached $26.75. With the drastic decline, slashing futures values more than half, fazendeiros were forced to cut sharply the wages of the colonos who formerly received $24 to $60 annually for each 1,000 trees cultivated. This enabled them to cut costs of a bag of No. 4 grade Santos coffee to $15 or 11.26 cents per pound. Futures, however, have declined to 8.01 cents for the May, 1931, option on the New York market and may go still lower. Growers face therefore a huge loss on present supplies. Laborers have been and are discontented because of low wages. The country's export trade, normally about $450,000,000, of which coffee constituted about 78 per cent, has been cut almost in half.

Dr. Vargas has large-scale plans for diversifying the country's industry and agriculture. Given time the great importance of coffee in the national economies may be relatively less. A second string to the bow is being sought in development of mineral resources but that will take time. The Government will help owners finance sale of their coffee but at world level of prices.

Capitalization—	Authorized	Outstanding
Com. $2 (a) No par value.	7,600,000 shs.	*6,490,046 shs.
Pref. 6% Par. $100.	$10,000,000	$398,400

* Stock dividend Mar. 1, 1931, increased common by approximately 129,000 shares.
(a) Stock dividend.

Funded Debt of Subsidiaries—	
Rio de Janeiro Tram., Light, Power bonds, 5%, 1st mtge., due 1935	$25,000,000
Bonds 5% mtge., due 1958	19,756,924
Jardim Botanico Tramways, 5%, 1st mtge., due 1951	£7,400,000
Sao Paulo Tram., Light, Pwr. Perp. cons. deb. stock, 5%	3,999,996
Sao Paulo Electric, 1st mtge. bonds, 5%, due 1962	9,733,333

Market Record—

	*1931		1930		1929	
	H	L	H	L	H	L
Com.	27⅝	20¾	55¼	19½	82	30

* To March 2.

CONSOLIDATED EARNINGS OF SUBSIDIARY COMPANIES, YEARS ENDED DEC. 31
(Excluding Inter-Company Items)

	1929 $	1928 $	1927 $	1926 $	1925 $	1924 $
Aver. val. of Milreis (N.Y.)	11.97 cts.	12.06 cts.	11.96 cts.	14.61 cts.	12.31 cts.	11.08 cts.
Gross earn. from oper.	49,351,215	42,774,813	38,319,989	38,602,891	31,243,759	26,936,767
Net earn. from oper.	28,052,961	24,869,330	22,054,624	21,700,727	17,489,445	16,643,472
Add: Misc. revenue	281,998	145,933	50,876	112,993	38,061	76,301
Total revenue of subsids.	28,334,959	25,015,263	22,105,500	21,813,720	17,527,506	16,719,773
Less: Bd. int. & other chgs.	3,787,334	3,801,295	3,889,853	4,084,242	4,391,087	4,709,785
Deprec. & S. F. reserves	7,362,991	6,829,974	6,156,699	5,823,622	4,807,980	4,238,348
Bal. to Brazilian Traction	17,184,634	14,383,994	12,058,948	11,905,856	8,328,439	7,771,140

INCOME AND SURPLUS ACCOUNT OF BRAZILIAN TRACTION
(Years Ended December 31)

	1929 $	1928 $	1927 $	1926 $	1925 $	1924 $
Net rev. from contr. with subs.	17,184,634	14,383,994	12,058,948	11,905,856	8,328,439	7,771,140
Int. on invest. & misc. inc.	420,545	378,625	467,293	372,798	520,155	478,383
Total income	17,605,179	14,762,619	12,526,241	12,278,654	8,848,594	8,299,521
Less: Gen. & admin. exp.	394,082	341,014	278,572	233,257	293,308	310,604
Amortization prov.	350,000	300,000	300,000	300,000	300,000	300,000
Net profits	16,861,097	14,121,605	11,947,669	11,745,397	8,255,286	7,633,917
Less appropriations:						
Preference dividends	30,463	54,392	529,278	600,000	600,000	600,000
Ordinary dividends	11,471,108	8,013,753	6,416,578	5,329,211	4,263,266	4,262,738
Trans. to reserve	4,000,000	5,000,000	4,000,000	4,000,000	3,000,000	3,000,000
Surplus for year	1,359,526	1,053,460	1,001,813	1,816,186	392,020	x223,871
Add: Previous surplus	9,947,367	8,893,907	7,892,094	6,075,907	5,683,887	5,907,758
Balance carried forward	11,306,893	9,947,367	8,893,907	7,892,093	6,075,907	5,683,887

x Debit.

Earnings Per Share and Dividend Record:						
Preference: Earned	$4,038.59	$1,847.41	$164.13	$117.45	$82.55	$76.39
Paid	6.00	6.00	6.00	6.00	6.00	6.00
Ordinary: Earned	...	10.24	10.45	10.45	7.18	6.88
($100 par) Paid	...	†3.50	6.00	5.00	4.00	4.00
Ordinary: Earned	2.67	2.56	...	...	...	...
(N.p.v.) Paid	2.00	‡0.88	...	...	...	...

†Two quarterly dividends of 1¾% paid prior to the change of capitalization.
‡Two quarterly dividends of 44 cents each paid following the change in capitalization.

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Tramway Investigation Supports Application Winnipeg Electric Co.

Consulting Engineers' Report Finds Conditions Need Rectifying

NEW FARE SCHEDULE

Majority of Recommendations Follow Along Lines Advocated for Some Time

From Our Own Correspondent

MONTREAL.—Upon request of the Manitoba Municipal & Public Utility Board, Wilson, Bunnell, and Borgstrom, consulting engineers, have made a report on public transportation services in Greater Winnipeg, especially bearing upon the application of the Winnipeg Electric Co. In the latter, the company requested relief from paving charges, relief from the 5 per cent tax on gross earnings, and an increase in the fares of its traction utility.

The investigation was a thorough one and the engineers made a number of recommendations, which are favorable to Winnipeg Electric.

Eliminate Gross Tax

Conclusions arrived at in the report were that the five per cent tax on gross passenger earnings should be eliminated. This is an important feature, inasmuch as the company pays annually to the city approximately $160,000. It was also stated that the municipalities of St. James and Tuxedo also will eliminate the percentage tax, if Winnipeg will adopt its recommendation.

It is recommended that the municipalities concerned bear a more reasonable proportion of paving maintenance within the track allowance, and provided this is done, it would be possible to put into effect an average fare of 7.67 cents. In respect to the company's application for relief from paving charges, the consulting engineers recommended the utility be required to pay toward the initial cost of foundation and paving within the track area, that amount which represents the excess over and above the normal cost to the municipality of such paving with no track.

It is further stated that the contribution of the utilities to maintenance of paving within the track area be limited to 25 per cent.

Details of Recommendations

Subject to the adoption of the foregoing recommendations, the engineers further recommend that:

(1) That the following affairs be made effective forthwith:

Cash fares:	
Adults	10c.
Children	5c.
Tickets	3 for 25c.
Tickets	14 for $1.00
School children's tickets	8 for 25c.
Weekly pass	$1.25

(2) Experiment on a limited scale with a five cent fare, without transfer privileges, in short haul zones.

(3) When the new fares are made effective, utility should be required to establish a renewal and depreciation reserve of 3½ cents per revenue car and bus mile operated, such reserve to be treated as trust fund and dispersed only on approval of the Municipal & Public Utility Board.

(4) Utility should be allowed an initial return of six per cent on a valuation of $12,648,927 and on such additional capital as may from time to time be required.

(5) With respect to the single fare zone, the company should be granted a new consolidated franchise approved by the Provincial Board and all the municipalities concerned on a service-at-cost basis with provision for flexible fare structure and recapture by the municipalities at any time.

(6) Suburban lines outside the city fare zone of the Suburban Rapid Transit and Winnipeg Electric Co. should be abandoned, except outside financial assistance be forthcoming.

(7) When these recommendations have been made effective the utility, as soon as in the judgment of the board its financial position permit, should be required to proceed with the programme of improvements and betterments as outlined in the engineers report at an estimated cost of $676,000 from renewal and depreciation reserve and $1,165,000 from new capital.

(8) Legislation should be applied for to place taxicabs under the jurisdiction of the Municipal and Public Utility Board.

(9) Pending a new franchise arrangement the company should be required to submit monthly operating statements to the board.

Pay For Service

In a general summary, the engineers point out that the community needs the tramway service. Provided that a true balance cannot be established under private ownership, the engineers are of the opinion that the municipalities should take over and assume the responsibility for any loss either by direct ownership and operation or some co-partnership method.

Adoption of the recommendations made by the consulting engineers would undoubtedly be welcome to Winnipeg Electric Co. Whether this report will be accepted en toto is dependent upon the action taken by the Municipal and Public Utility Board, as well as the different municipalities concerned.

Power Industry Capital Expands

Capital investment in Canada's present hydraulic installation of 6,125,012 h.p. has been the subject of intensive study by the Dominion Water Power and Hydrometric Bureau. After full allowance has been made for all the various factors entering into the development and use of hydraulic power, the statement is warranted that the capital investment in this development amounts to almost $1,390,000,000 and of this amount over $1,168,000,000, or over 84 per cent, has been expended on lands, buildings, plant and equipment. This is greater than the capital investment of any other manufacturing industry and is an investment with a remarkable record for safety of principal and stability of returns.

Ontario Creates Market for Electric Appliances

Regulations have finally been drafted whereby the Ontario Government has now set in motion a statute set up a year ago to provide a fund of $2,000,000 from which Ontario farmers can borrow in order to purchase electrical equipment and appliances. The past ten months have been spent in framing regulations as to how these loans are to be made according to Hardware and Metal, and within the past few weeks a few loans have already been made. The loans vary from $150 to $500.

Loans will be made to farmers for the purchase of electric motors, washing machines, pumping equipment, grinders, milking machines and other items which represent a considerable investment and which have for their object the elimination of laborious and time-wasting methods now in use.

It is expected that the operation of this fund will create an immediate and important group of prospects for electric appliances in Ontario.

Montreal Loan Directors Re-elected Without Change

From Our Own Correspondent

MONTREAL. — Retiring members of the board of Montreal Loan and Mortgage Co. were unanimously re-elected at the 73rd annual meeting of shareholders. George Caverhill, president of the company, pointed out that net earnings in 1930 were slightly higher than in 1929, and enabled the declaration of the usual dividends and bonus making a total distribution for the year of 13 per cent.

He stated that the funds of the company had been constantly and profitably employed and collection of interest had been most satisfactory.

Northern Ont. Telephone

Northern Ontario Telephone Co., the largest "independent" system in Ontario with the exception of the Fort William municipal system, serves the principal mining communities of Northern Ontario, the instruments in use numbering more than 4,500. Timmins, Cobalt, Kirkland Lake, Rouyn, Haileybury and Kapuskasing are served. There have been steady gains, with the exception of the Cobalt and South Porcupine exchanges.

As at December 31, 1929, (the date of the last available report) the company had outstanding $350,000 of 6 per cent bonds and $150,000 of stock on which it is paying 6 per cent annually. Surplus was $42,613. In 1929, net income available for dividends totalled $22,344.

The company plans expansion as its territory develops. Capital expenditures, as with most telephone companies, is financed partially with bonds and partially with additional issues of stock.

Capitalization—	Authorized	Outstanding
Common	$500,000	$350,000
Par $100.		

Dividends—
8 per cent per annum, payable quarterly,
Funded Debt—
1st mtge. 6 per cent bonds, due 1948, outstanding $150,000.

C. L. MESSECAR DIES AT BRANTFORD

Head of Brantford Cordage Co. Passes After Successful Career

C. L. Messecar, president and managing director of The Brantford Cordage Co., died on March 7, 1931.

Mr. Messecar has occupied a position of peculiar prominence in Canadian industry in that he has been at the head of the fortunes of his company from away back in 1907 when all protection to binder twine was removed. While most other companies failed, this company has managed to improve its position steadily through nearly three decades with an occasional year when business dropped.

In recent years the company has been subjected to increasing pressure from foreign imports of lower quality and on occasion lower prices. The company has been quite busy during the last year in spite of the agricultural depression. Lower purchasing power has turned farmers more to old machinery and the use of binder twine, it is said. Up to quite recently Mr. Messecar was active in adjusting the company's policy to each new development.

Davie Shipbuilding Going Ahead With C.N.R. Ferry

From Our Own Correspondent

MONTREAL. — The new Canadian National Railways car-ferry now under construction at Levis by the Davie Shipbuilding and Repairing Co., a subsidiary of Canada Steamship Lines, will be ready for operation about the middle of July. The ferry will be used for service between New Brunswick and Prince Edward Island across Northumberland Strait.

Large fuel oil storage tanks have been erected at the Prince Edward Island terminal and installation of piping from the oil tanks to the docks is nearing completion. The new ferry will utilize oil fuel in its engines.

Increased traffic has made necessary this addition to existing service. The new hotel in Charlottetown, The Canadian National, will be opened in April and is expected to increase traffic further.

Dominion Stores Elect Director

Gordon Tamblyn was elected to the board of directors of Dominion Stores at the annual meeting on March 9. By-laws authorizing appointment of an executive committee and fixing the number of directors at 10 were ratified by shareholders. The auditors were reappointed.

MARITIME GURD PROFITS LOWER

From Our Own Correspondent

MONTREAL. — Profits of Charles Gurd & Co. (Maritime) Limited, in 1930, showed a slight decline amounting to $11,720 as compared with $13,754 in 1929. The sum of $826 was brought forward to surplus, bringing the total to $4,866. Sales, however, have shown a moderate increase, and liquid position has been maintained.

The Maritime Company is a subsidiary of Charles Gurd & Co., ginger ale manufacturers in Montreal. There is a small investment interest in the preferred stock of the Maritime company which supplies the Maritime market and handles exports to Bermuda and the West Indies.

Confidence in Future

At the annual meeting of Charles Gurd & Co., Alexander McA. Murphy, president of the company, expressed confidence with respect to prospects for 1931. Officers and directors were returned to office without change.

Mr. Murphy referred to the redemption of preferred stock which had been effected since its issuance in 1927. Of the 5,000 shares originally issued, 2,700 shares are now outstanding.

The Purchasing Power of Pennies

JUST a few pennies—an insignificant sum, usually associated with the daily newspapers and postage stamps. Yet, in Montreal, pennies have tremendous power when applied to the purchase of electricity.

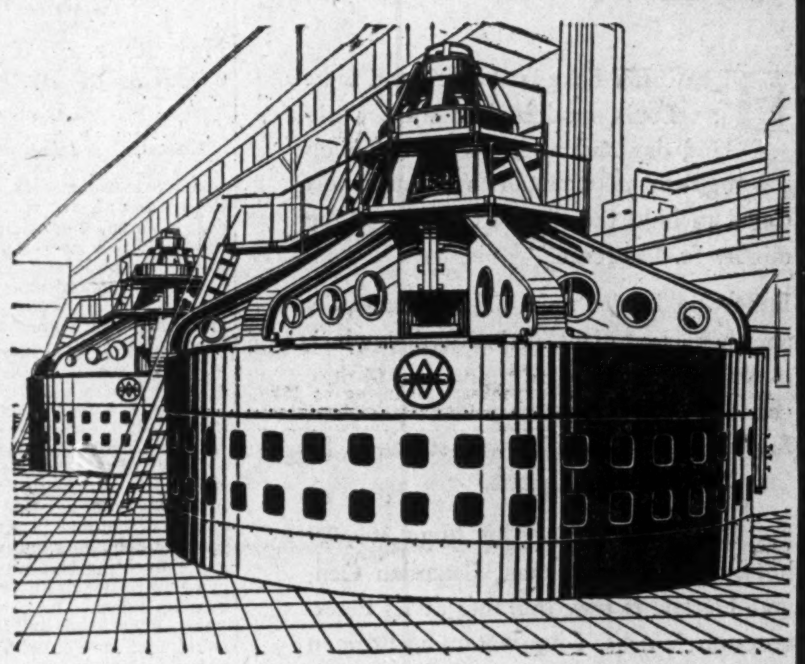
Three cents will pay for a kilowatt hour of electricity, while quantity consumption may earn a rate as low as one and a half cents per K.W.H.

Montreal is Canada's leading trade centre and owes its amazing growth and development, in a large measure, to the constant availability of unlimited power at low cost.

It is a notable fact that the supply of power has always exceeded the demand in Canada's metropolis, and that reductions are made whenever warranted by general conditions and economical operations.

The average cost of electricity in Montreal is lower than elsewhere on the continent.

Montreal Light Heat & Power
CONSOLIDATED



The LARGEST ELECTRICAL UNIT in the WORLD!

In their plant at Chute à Caron, on the Saguenay River, the Alcoa Power Company will soon have installed four of the largest waterwheel generators in the world. Each of these generators will be capable of producing 77,000 horsepower and thus the four units will produce 308,000 horsepower, an amount greater than the combined developed water power of the provinces of Alberta, Saskatchewan and New Brunswick.

The great power developed by these generators may be imagined more easily when it is understood that just one of these generators will develop enough power to light the whole city of Toronto and have enough left over to light the city of Three Rivers. Oragain, one of these generators would provide enough power to run all the washing machines in Canada or all the vacuum cleaners.

These four generators have been built by the Canadian Westinghouse Company at Hamilton, Ontario. Two have been installed and two are now being installed by the Westinghouse Service Department.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HEAD OFFICE, HAMILTON, ONT.
BRANCH OFFICES AND REPAIR SHOPS IN ALL PRINCIPAL CITIES

Westinghouse
EVERYTHING ELECTRICAL
3012

Stability - progress

"Ottawa, the capital city, has not suffered from the financial stringency brought about by economic conditions that have seriously curtailed buying power in nearly every city on the American continent. Ottawa reacts neither to 'boom' inflation nor to severe depression. As the Capital, and the seat of Federal Government, it maintains a stable financial condition."

—*The Ottawa Journal.*

Nowhere is this healthy condition reflected so clearly as in the earnings of Ottawa's pioneer public utilities, The Ottawa Gas Co. and The Ottawa Electric Co., both of which companies continue to show a condition of stability and growth highly gratifying to both shareholders and management.

The Ottawa Gas Co.

Officers and Directors:
HON. THOMAS AHEARN, P.C.—*President*
F. E. BRONSON—*Vice-President*
THOS. WORKMAN
W. C. PITFIELD
T. F. AHEARN, M.P.
R. QUAIN, K.C.
F. W. FEE, *Secretary-Treasurer*
GEO. F. HENDERSON, K.C.
W. LYLE REID
L. N. POULIN
I. W. KILLAM
D. R. STREET, *General Manager*

The Ottawa Electric Co.

Ottawa Light, Heat and Power Co.
OTTAWA LIMITED CANADA

RURAL DISTRICTS FIND GROWING USE FOR HYDRO POWER

Survey in Manitoba Shows Farmers Depending More on Energy

Use of electric power on the Canadian prairies is steadily expanding, adding much to the comforts of farm life in those areas. The opening of new sources of power is proceeding in all three provinces. In Alberta, the Calgary Power Co. has extended a transmission line from the Bow River to Edmonton. In Saskatchewan a power plant has been opened on the Churchill, while in the southern part of the province energy is being drawn from coal near Estevan and lines of the Provincial Power Commission are being constructed in several directions. In Manitoba new developments are in progress on the Manitoba River, and the Manitoba Power Commission is reaching out to parts of the province not hitherto served. Moreover, offers of power from the Nelson River have been made to the City of Winnipeg, but the carrying out of these plans has yet to be decided. In Manitoba, farmers are beginning to employ electricity freely in farm operations; while in the other Prairie Provinces the extension of power lines across rural areas is likely to bring into active operation this practice, which has for a good many years been widely followed in Ontario and Quebec.

A recent survey of the uses of electricity on farms which have been connected with the provincial sources of supply shows that Manitoba farmers are now using hydro power for such farm purposes as cleaning grain, chopping and crushing grain, cutting feed, driving power grinding machinery, pumping water, shearing sheep and clipping horses. The biggest investments were by those who installed waterworks in their homes. All users had lights in their houses and barns and nearly all had light in their barn yards. Most of the farm homes equipped with hydro power had washing machines and electric irons and radios. A few had electric stoves, electric sewing machines, electric fans, toasters, electric plates, vacuum cleaners, small electric heaters, electric cream separators, churns, etc. The average investment in appliances alone is reported to have been about $250.

Power Costs Less

One of the most interesting uses of electricity for the farmer in Manitoba is in threshing. While this custom is not widespread, it is pointed out that the farmer who pioneered in the use of hydro-electric power for this purpose in Manitoba has been using it each year since 1925, and with electricity at 5 cents per kilowatt hour for power-using equipment, he has accomplished a considerable saving in cost over the methods formerly used in threshing his grain crops. Another appliance expected to become common is the electric milking machine, while there is also a field for electric incubators and electric brooders. In the household the uses are legion; and, in addition to the many uses already mentioned, it is likely that electric refrigerators will be found in considerable numbers on Manitoba farms in the not distant future.

The big source of electricity for the Manitoba Power Commission is in the hydro-electric plants along the Winnipeg River. At present power from this source is purchased from the City of Winnipeg. The great new plant being built by a subsidiary of the Winnipeg Electric Company at Seven Sisters Falls will have an ultimate capacity of 224,000 h.p., thus greatly increasing the supply of power, not only for Winnipeg but for transmission into the rural parts of the province.

In this connection, it is pointed out that the Manitoba Power Commission has a contract for 30,000 h.p. from the Winnipeg Electric Company to become available at prices from $13.80 to as low as approximately $11 per h.p. per year. This cheap power is expected to result in widespread use in rural municipalities; and, with growth in consumption and lessened costs of distribution, the farmers will obtain the benefit of lower rates for their electricity. This, in turn, should increase the number of electric appliances and power-using equipment, which will be called into use on Manitoba farms. The Manitoba Power Commission is now extending its high voltage lines through rural Manitoba, and the main requirement for more general use of electricity on farms is the provision of more low voltage distribution lines.

Calgary Power Plans Survey Near Edson

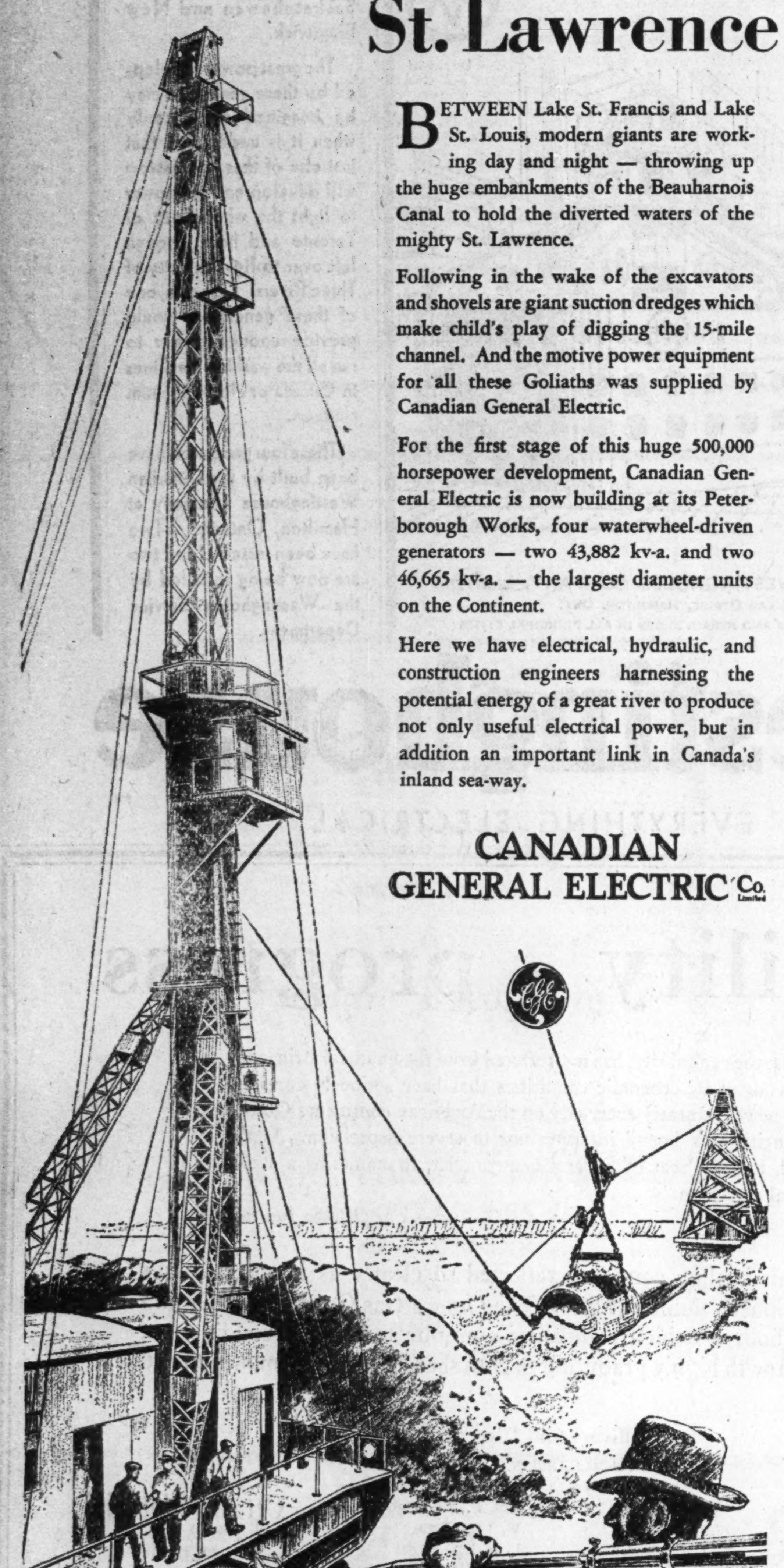
Calgary Power Co. will carry out a survey of a hydro-electric power site on the Athabaska River, northwest of Edson and about 140 miles northwest of Edmonton. A head of about 100 feet is available at this location.

The survey is expected to get under way shortly; if results prove favorable it is possible that the company will consider erection of a power plant at this site.

Indications are that power developed at this point would be transmitted to Edmonton which is presently connected with the Calgary Power's Ghost development. This interconnection with Edmonton was completed in 1930 and resulted in increased output from the company's plants.

More Motors in Canada

Canada had a motor vehicle for every eight persons in 1930 as compared with one motor vehicle for every eleven people in 1929, according to a report issued by the Dominion Bureau of Statistics. The number of motor cars registered in 1930 was 1,239,889 an increase of 44,295 over the previous year.



Harnessing the Mighty St. Lawrence

BETWEEN Lake St. Francis and Lake St. Louis, modern giants are working day and night — throwing up the huge embankments of the Beauharnois Canal to hold the diverted waters of the mighty St. Lawrence.

Following in the wake of the excavators and shovels are giant suction dredges which make child's play of digging the 15-mile channel. And the motive power equipment for all these Goliaths was supplied by Canadian General Electric.

For the first stage of this huge 500,000 horsepower development, Canadian General Electric is now building at its Peterborough Works, four waterwheel-driven generators — two 43,882 kv-a. and two 46,665 kv-a. — the largest diameter units on the Continent.

Here we have electrical, hydraulic, and construction engineers harnessing the potential energy of a great river to produce not only useful electrical power, but in addition an important link in Canada's inland sea-way.

CANADIAN GENERAL ELECTRIC Co. Limited

Tram Fares Average Gains For Dominion

General index number of city street car fares was 103.3 for 1929, taking average fares in 1926 as equal to 100.0, according to the Dominion Bureau of Statistics.

This calculation was made from returns furnished by thirty-five municipal electric railways showing the total number of passengers carried and the total passenger revenue received.

Trend is Upward

The trend of car fares has been gradually upward since 1918, when the Dominion index was 70.0. By 1924 it had advanced to 100.0 and remained at that figure until 1928, in which year the index stood at 101.7. During the period 1918-1929, Canadian index numbers of wholesale prices rose from 127.4 to 155.9 in 1920, and then fell back to 95.6 in 1929, while the Bureau's cost of living index moved from 97.4 in 1918 to 124.2 in 1920, and back to 100.0 in 1929.

These figures indicate that street car fares have no very close relationship with the movements of general commodity prices. There is, on the other hand, a fairly close parallel between the rate of growth in urban population and the advance in car fare rates during the post-war period.

Operating Costs Higher

Operating costs have undoubtedly been increased by the necessity of providing transportation in thinly populated and rapidly extending urban outskirts. Improved equipment, augmented service, and higher wages have been other contributing factors.

Average provincial fares in 1929 ranged from 6.5c. in Nova Scotia and Ontario down to 5.7c. in Alberta. Fares in other provinces were: New Brunswick 5.9c.; Quebec 6.0c.; Manitoba 5.9c.; Saskatchewan 6.2c.; and British Columbia 6.4c. Fractional advances in Ontario and British Columbia were responsible for the advance in the Dominion index number given above. Average fares were slightly lower in Nova Scotia and Alberta.

SASKATCHEWAN POWER BOARD WIDENS FIELD

Now Operate Over 1,150 Miles of Distribution Lines

Electrical transmission lines, which will form the nucleus for a much wider network when conditions warrant, are spreading rapidly over Central Saskatchewan due to the activities of the Saskatchewan Power Commission. The annual report of the commission shows capital assets of well over six million dollars and that Government-owned lines now total 1,151 miles, all but 55 miles of which were built during 1930.

While the commission's principal generating station remains the former municipally-owned steam electric plant at Saskatoon, purchased at the beginning of operations two years ago and subsequently enlarged, notable progress has been made in acquiring many other plants and connecting towns to the rapidly-growing provincial network of transmission lines. The commission, last year, purchased small plants and equipment in 35 different towns, entered into agreements with 87 towns and villages for the supply of electricity and built a total of 1,096 miles of transmission lines.

The longest line, which the commission now operates, extends from Moose Jaw to Saskatoon, and from the latter place a line runs on to Shellbrook, which is west of Prince Albert. This whole line runs for roughly 200 miles in a north and south direction through the central part of the province.

Assets Over $6,000,000

At the close of 1930, when its fiscal year ended, the total capital assets of the Saskatchewan Power Commission stood at $6,484,403 and, in addition, $743,102 was set aside for sinking fund and other reserves. Last year the commission, in operating three large plants and 66 small plants and distributing systems, sustained a small operating loss amounting to $946, which makes a total deficit of $1,126 for the first two years of its operation.

The report sets out that the total generating capacity of all plants owned by the Saskatchewan Power Commission is 26,325 kilowatts, while the capacity of all municipally-owned plants in the province is 37,024 kw., and that of all privately-owned plants 29,227 kw. Of the commission's generating plants 21,925 kw. is represented in steam plant capacity and 4,400 kw., in steam plant capacity and 4,400 kw. in Diesel plants. This statement on power plants in Saskatchewan does not take into account the large water power development of the Churchill River Power Company on the Churchill River at Island Falls, the first commercial hydro-electric installation in the province built to supply power for the Flin Flon and Sherritt-Gordon mines.

Investigate Power Site

While the commission has no water power development, a possible hydro-electric power site, near Fort à la Corne on the North Saskatchewan River, 17 miles northeast of Kinistino, is now under consideration. Borings into the banks and bed of the river are being made as well as a survey of lands likely to be flooded should the development be proceeded with.

Electricity generated, under the control of the commission, now serves 106 urban centres, 95 of which were connected in 1930, and an educational campaign, in co-operation with the electrical supply houses, is planned to extend the use of electrical equipment. Last year approximately $3,200,000 was expended by the commission, and this year the sum of $1,000,000 is included in the Provincial Government estimates for the continuation of the expansion programme.

PUBLIC UTILITY EARNINGS

Jamaica Public Service

January:	1931	1930
Gross earnings	$78,367	$73,207
Net earnings	36,414	31,397
Surplus after charges	26,985	25,313
12 mos. end. Jan. 31:	1931	1930
Gross earnings	$839,014	$776,144
Net earnings	344,317	324,424
Surplus after charges	245,115	247,037

CANADA NORTHERN MAINTAIN PROFITS AT 71 CENTS SHARE

Higher Operating Costs Keep Offset Increase in Gross

From Our Own Correspondent

MONTREAL.—Report of Canada Northern Power Corp. for the year 1930 shows common stock earnings maintained at the same level as in the preceding year, namely, 71 cents a share

During the year, the company sold 367,130,780 kw.h. of electric energy, compared with 347,827,680 kw.h. in 1929. Gross earnings, including miscellaneous revenue totalled $3,181,504, as against $3,116,597 in the preceding year. There was an increase in operating and maintenance expenses, as well as in taxes, leaving net earnings in 1930 at $2,160,477, a decline of roughly $18,000 from 1929. After taking care of interest charges and bad debt, income available for distribution on the capital stock, depreciation, etc., amounted to $1,341,768, or roughly the same as in the preceding year.

Show Smaller Surplus

Full particulars of the profit and loss accounts for the past three years follow:

	1930 $	1929 $	1928 $
Elec rev.	2,984,347	2,959,663	2,894,420
Misc. rev.	197,157	156,934	194,109
Gr. earn.	3,181,504	3,116,597	3,088,529
Operation	684,043	522,965	474,044
Maintenance	132,709	118,861	134,171
Taxes	304,275	296,351	281,576
	1,021,027	938,177	889,791
Net earn.	2,160,477	2,178,420	2,198,737
Bad debts	7,490	12,143	1,485
Interest	810,769	820,018	787,034
	818,709	832,161	788,519
Surplus	1,341,768	1,346,259	1,410,217
*Surplus	1,331,900	1,200,719	817,614
	2,673,668	2,546,978	2,227,832
Pfd. div.	475,750	468,577	456,827
Com. div.	236,914	124,610	21,774
†Minor. int.	646	115	3
Dep. res.	600,000	600,000	558,767
	1,313,310	1,193,302	1,037,372
Surp. forw.	1,360,358	1,353,676	1,190,460

*Adjusted and previous surplus brought forward.

As at the end of last year, Canada Northern reported assets of $34,443,697. This compares with $32,793,903 at the end of the preceding year. Plant investment is increased from $31,964,000 to $33,687,000. The balance of the items do not show any important changes.

The working capital position underwent considerable improvement during the year. At the end of 1929, current liabilities exceeded current assets by $867,571. This deficit had been cut down to $246,711 by the end of 1930.

During the year, the company sold additional bonds, bringing the funded debt up from $15,000,000 to $17,000,000. Notes payable have been cut from $787,308 to $27,164. Accounts payable and accrued liabilities have advanced from $405,307 to $438,945. Other items among current liabilities are of a seasonable character, made up principally of interest and dividends payable.

There was a further decline in the value of subsidiary companies' securities outstanding in the hands of the public. Preferred stock has declined from $1,530,900 to $1,515,100, while the common stock outstanding now totals $267,913 down from $319,287.

There has been no change in Canada Northern's outstanding capital stock. Depreciation reserve has been increased from $5,339,378 to $5,888,286, but miscellaneous reserves have declined from $174,866 to $120,178.

In his remarks to shareholders, A. J. Nesbitt, president, said in part:

"The progress would have been more marked except for the fire which destroyed the mill at the Dome Mine. This reduced the revenue of the company considerably during the past year. This mill has been rebuilt and again connected to our lines, and with this customer again taking power we expect our demand during the coming year to be higher than ever before.

"The increase in the demand for power has been fairly general in practically all districts supplied by the company. The Rouyn and Kirkland Lake camps have shown the principal increases. The Porcupine camp, with the Dome mill now in operation, is also showing a good increase. In the Cobalt, Gowganda and South Lorraine camps, where silver is mined, the demand is off a little. Boston Creek is showing a little increase. The total number of our customers was increased during the year by 397 to 10,377.

"To be ready to meet the anticipated increased demand, the new 13,000 horsepower plant at the Upper Notch, on the Montreal River, was completed and put into operation early in November. A 110,000 volt transmission line was built from the Upper Notch plant to the Quinze plant. An 11,000 volt line was built to supply power to the Cross Lake operations of the O'Brien Mine, near Cobalt. A 44,000 volt line was built to supply power to the Telluride Mine in the Boston Creek area.

"Additional substation capacity was Lake, by the installation of three 3,000 k.v.a. transformers at the main substation, and by the construction of a complete new substation at a point near the Lake Shore Mine, where three 3,000 k.v.a. transformers were also installed. At Noranda the substation capacity was increased by the installation of six 2,000 k.v.a. transformers.

"One of the company's subsidiaries, the Great Northern Power Corporation, Limited, was wound up during the year, leaving the company with its two subsidiaries, the Northern Ontario Power Company, Limited, in Ontario, and the Northern Quebec Power Company, Limited, operating in Quebec.

SKILLED WORKMANSHIP

Plate Steel Housing of Hydraulic Turbine for the Seven Sisters Development in Manitoba

Proof of the adaptability of our skilled organization to handle special and out-of-the-usual-run jobs, is the huge plate steel turbine housing which we have just completed for the North-Western Power Company's use in the Seven Sisters Development, Manitoba.

This foundation ring will be partially embedded in concrete and will house the revolving parts of a 37,500 h.p. hydraulic turbine.

The plate steel housing, 26 ft. in diameter, 13 ft. high and weighing 62 tons, was constructed, rolled, flanged, and welded entirely in our own shops.

Our Consulting Bureau is at your service without obligation. We will gladly advise you on any Engineering or Boiler problems.

The John Inglis COMPANY LIMITED

14 Strachan Avenue . . Toronto
618 Castle Building . . Montreal

The PROVINCE of QUEBEC

Thrifty Progressive Prosperous

Immensely Rich in Her Resources, to be Retained and Developed in Canada's Best Interests

WATER POWER:—Quebec has been abundantly favored with water power. The estimated flow for maximum development (the largest of any Canadian province) is 13,072,549 h.p. Present turbine installation is over 2,600,000 h.p. January 1st, 1930. The province of Quebec's far-seeing policy of the conservation of her water power for home use has been instrumental in the investment of huge sums of outside capital both in hydro-electric developments and the establishment of industries for the use of the power. In the course of the year 1931, 1,343,000 h.p. shall be added when the Beauharnois plant is complete; its potential ultimate capacity shall be of 2,000,000 h.p., making it the largest power unit in the world.

FORESTS:—Quebec's virgin forest resources are great wealth producers for the province—not only in revenue for stumpage dues, sale of timber, et cetera, but as the mainstay of the pulp and paper industry, a source of substantial prosperity throughout the province. Value of wood cut and other forestry products for 1929 was $62,330,263.

Of the 108 pulp and paper mills actually operating in Canada, 49 are in the province of Quebec. For 1929, of the $644,773,806 invested in this industry, $353,401,187 was invested in Quebec province.

Quebec is the leading producer both of wood pulp and paper in the Dominion. In 1929, the production of paper was $107,504,475 for 1,780,720 tons, and of wood pulp $69,286,498 for 2,174,805 tons. The industry is still expanding in Quebec.

MINERALS:—Value of Quebec's mineral production for 1929 was $46,454,820 as compared with $37,325,267 in 1928, thus recording an increase of 25% over the preceding year.

The mineral possibilities of Quebec are enormous. Whilst noted chiefly for its non-metallic substances—asbestos (Quebec producing 85 per cent of the world's total production), mica, feldspar, magnesite, graphite, marble and ornamental stone—with the discovery and development of the copper-gold deposits in Rouyn, Northern Quebec, it is apparent that Quebec's metallic ore possibilities hold a great future. Mining laws in Quebec are very liberal and favor the prospector.

AGRICULTURE:—Estimated revenue from agriculture in 1929 approximate $320,422,000. Mixed farming is highly developed, with dairy products, next to field crops, the most important branch. Some 1929 production values are as follows: Field crops, $153,664,000; dairy products, $90,000,000; poultry and eggs, $16,089,000; fruits and vegetables, $7,974,000; maple products, $4,767,000; tobacco, $1,210,000; oats (included in field crops), $36,081,000.

MANUFACTURING:—Quebec's hydro-electric power is not only abundant but is the cheapest in Canada. This plus strategic location in relation to markets, splendid water and railway transportation facilities, excellent labor, and availability of raw materials, has been responsible for the province's solid and rapid growth industrially. Manufacturing establishments in 1928 numbered 7,231, employing 204,909 and representing a capital investment of $1,583,350,884. The gross value of products in 1928 was $1,073,162,291.

TOURISTS:—Both summer and winter tourists find Quebec province a place of intriguing charm. Good hotels, varied scenery, good roads, winter sports, sensible well-regulated liquor laws, historic spots, have all combined to increase tourist traffic. It is estimated that motor tourists from United States alone spent $65,000,000 in the province of Quebec in 1930.

Members of Cabinet

Premier, President of Executive Council, Attorney General and Minister of Municipal Affairs,
HON. L. A. TASCHEREAU
Minister of Lands and Forests,
HON. HONORE MERCIER
Provincial Treasurer,
HON. L. A. TASCHEREAU
Provincial Secretary and Registrar,
HON. L. A. DAVID
Minister of Agriculture,
HON. J. A. GODBOUT
Minister of Colonization and Fisheries,
HON. H. LAFERTE
Minister of Public Works and Labor,
HON. J. N. FRANCOEUR
Minister of Roads and Mines,
HON. J. E. PERRAULT
Ministers Without Portfolios,
HON. E. MOREAU
HON. L. LAPIERRE
HON. A. LEDUC,
HON. J. H. DILLON
HON. N. PERODEAU
HON. G. SCOTT

FINANCIAL STATEMENT

Approximate assessed value of taxable properties within the province (1929)		$2,354,494,461
Gross funded debt	$76,735,291	
Less sinking fund and deferred payments	22,712,764	
Net Funded Debt	$54,022,526	
Ordinary receipts for year ending 30th June, 1930		$43,585,140.83
Ordinary expenditure for year ending 30th June, 1930		39,374,910.31
Surplus of Revenue		$ 4,210,230.52

For 33 years, without a break, the Provincial Budget has shown a surplus.

N.B.—Out of this surplus $1,000,000 represents the contribution to Public Charities Fund and $1,743,906 the amount used to pay off or provide for redemption of public debt.

The gross funded per capita debt amounts to approximately $25.00 as compared with an average gross per capita debt of all the Canadian Provinces of $78.12. The per capita expenditure during the year was lower than any other Province.

Area, 594,434 square miles.
Estimated population, 3,028,618 (1929).

For further information write: **Office of the Premier, Province of Quebec, Quebec, P. Q.**

MEXICO TRAMWAYS

Suffering Deficits in 1930—Gets All Income in Depreciated Silver

Mexico Tramways Co. operates the electric tramway system in and about Mexico City through its wholly owned subsidiaries, The Mexico Electric Tramways, Ltd., and Cia. de los Ferrocarriles del Distrito Federal. The company also has a controlling interest in The Mexican Light & Power Co. which operates the lighting and power system in Mexico City and the Federal District of Mexico.

The company has the exclusive right until 1982 to operate on the streets of the City of Mexico and the power to extend lines to the suburban towns of San Angel, Guadalupe, Tacuba, Xochimilco. Its last annual report showed that it operated 589 cars of which 321 were first-class electric passenger cars, 41 first-class passenger trail cars, 58 second-class passenger cars and 99 electric freight cars and trailers.

Deficits in 1930

In recent years the company experienced growing competition from omnibuses and jitneys, but in 1929 made way against them. It has suffered adversely as well as a result of the great depreciation in the price of silver in recent years as it receives the whole of its income from the passenger, freight and funeral services in silver coin. As a consequence growing operating deficits have been shown month by month through 1930 after depreciation. In its consolidated income and surplus accounts the company has shown a profit in previous years but its working capital at the end of 1929 showed a deficiency of $1,893,243, but this was a smaller deficiency than had been shown for four years.

The company was first incorporated on March 9, 1906, as the Yucatan Power Co., but in a fortnight the name was changed to Mexican Consolidated Electric Co. and on June 1, 1906, to the present title. In the same year the company bought sufficient shares and debentures of Mexico Electric Tramways to control that company and now it owns the entire capital stock and all of the "B" debentures.

In 1909 the company acquired a controlling interest in the Mexican Light & Power Co.

War Experience Was Bad

Revolutionary disturbances in 1911 did not seriously interfere with the company's business but when the City of Mexico was captured by General Carranza troubles arose which resulted in the Government taking over operation of the tramways until May, 1919. Financial difficulties were encountered by the company during this period when it was prevented from managing the company and interest on the various series of bonds of the company and its subsidiaries were defaulted. Depreciation in Mexican currency worked additional hardship to the company.

A bondholders committee was formed in London in 1915 and in 1916 deposit of bonds was advised. On May 30, 1921 a provisional agreement of reorganization was approved but improvement in Mexico was delayed by strikes, rebellions, jitney competition, failure to get damage claims recognized by the Government until in 1926 and 1927 further arrangements were made with subsidiaries for meeting the claims of bondholders to have arrears of interest satisfied. Current interest was met.

Under an agreement dated November 16, 1926, a commission was formed in 1928 to consider claims for damages arising out of Government intervention during the revolutionary period between 1914 and 1919. The commission has not passed on the company's claim. No interest has been paid on the common stock since 1913.

Capitalization—	Authorized	Outstanding
Stock Par $100.	$30,000,000	$20,177,000
5% general consol. 1st mtge. bonds, due 1963	20,000,000	10,298,000
6% mtge. bonds, due 1966	£ 3,150,000	$ 7,112,633
5% Mexico Elec. Tram. "A" deb.	$ 1,946,666	$ 1,448,320
5% second charge deb. "B"	£ 500,000	£ 321,000

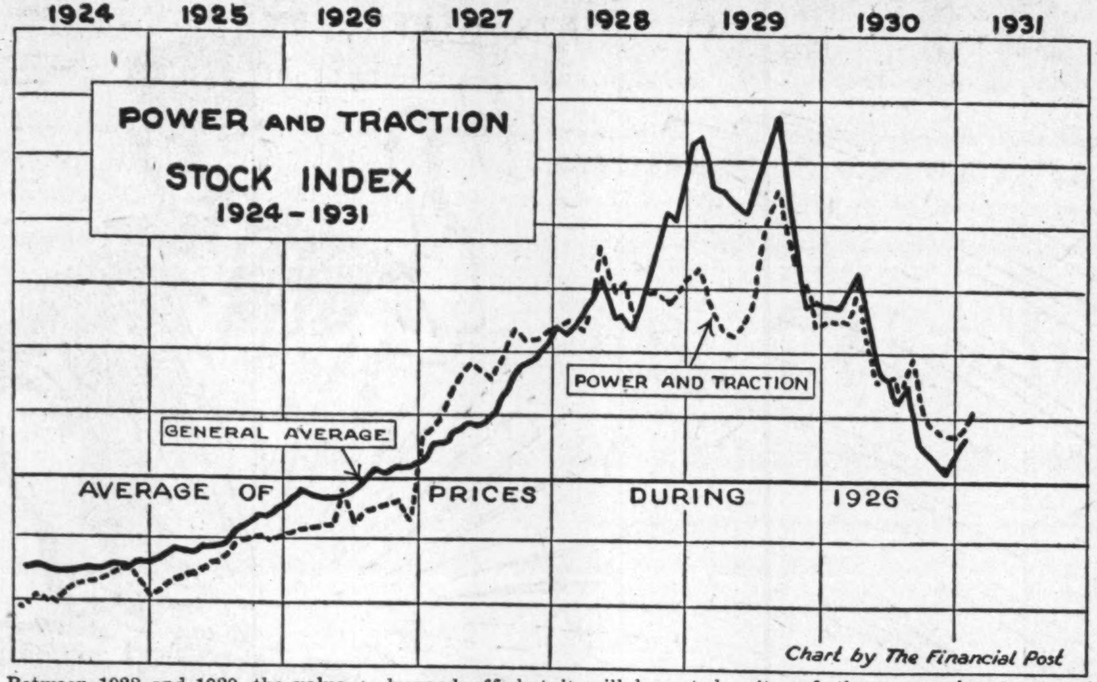
Dividend Record—
Dividends have been paid as follows: 1 per cent, 1907; 4 per cent, 1908; 6 per cent, 1909; 6½ per cent, 1910; 7 per cent, 1911, 1912 and 1913; none since.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31
(Prepared in accordance with the reorganization agreement dated May 30, 1921)

	1929 $	1928 $
Car earnings:		
Passengers	3,424,037	3,906,131
Weekly tickets	1,434,731	1,348,614
Monthly tickets	230,407	266,712
Chartered cars	9,527	11,650
Freight	143,381	161,638
Baggage and parcels	47,859	66,422
Funeral	9,872	27,335
Car earnings	5,299,814	5,778,502
Miscel. earnings	62,655	63,936
Gross earn. from oper.	5,362,469	5,842,438
Less expenses:		
Operation	3,542,564	3,585,528
Mainten. tax. & depr.	1,707,359	1,791,411
Net earn. from oper.	112,646	465,499
Less: Adj. exchange & other exp.	135,754	126,046
	*23,208	339,453
Add: Net inc. from inv.	1,131,357	1,079,151
Msc. income	7,109	2,797
Non-int. bearing notes of Mex. L. & P. red.	585,000	650,000
Total net earn.	1,650,258	2,071,401
Less: Admin. & gen. charges	106,172	102,309
Total net income applicable to fixed chgs.	1,544,086	1,969,092
Less: Bond interest:		
Cia de Ferrocarriles 8% debs.	240,000	240,000
Mex. Elec. Trams. 5% "A" deb.	84,267	86,517
Mex. Trams. 5% 1st mtge.	514,900	514,900
Sinking funds:		
Mex. Elec. Trams. 5% "A" deb.	31,317	29,249
Mex. Trams. 5% 1st mtge.	102,980	102,980
Net profit	‡570,622	‡995,445

*Loss.
‡Profit, contributed toward meeting capital expenditures in accordance with the terms of the reorganization agreement.

Power Stock Index Suffers Least from Depression



Between 1928 and 1929, the value of Canadian power and traction stocks advanced rapidly. Following the collapse of the stock market in November, 1929, values dropped off, but it will be noted in the above chart that the index has kept up well in comparison with the general list. Power securities are still a prime favorite with the Canadian investor and the ability of the companies to report satisfactory earnings during years of business recession have tended to further consolidate the public's confidence in their merit as an investment medium.

MEXICAN LIGHT & POWER

Extending Operations Successfully—Hampered by Exchange Losses

(Controlled by Mexico Tramways)

The Mexico Light & Power Co., which is controlled by Mexico Tramways Co., operates the lighting and power system in the City of Mexico and the federal district of Mexico. Through wholly owned subsidiary companies it serves part of this territory, the rest being served directly. In recent years the company's plans for serving the territory have been pushed vigorously in the face of various difficulties and with marked success both from operating and financial standpoints. Even in 1930 the company's operations have shown gross and net earnings in excess of those of 1929, as measured in pesos.

The Federal Government of Mexico granted the original concession to the company in 1903 to construct transmission lines to any point in the republic. The exclusive use of waters in the Necaxa and Tenango Rivers was also granted, and subsequent concessions extended the franchise to include the entire upper watersheds of the adjacent Rivers. In 1906 the old franchise for distributing water and power was extended for the entire federal district until 2002. The Federal district comprises an area of nearly 400 square miles including City of Mexico and other municipalities. The franchises carried all the rights of expropriation necessary to make these franchises effective.

Mexico Tramways Controls

The company was incorporated in 1902 to acquire the properties and franchises of Société de Necaxa in connection with water power on Necaxa, Tenango and Catepuxtla Rivers in Puebla, Mexico. In 1903 the company bought the Mexican Electric Works, now lighting streets of Mexico City and in 1905 acquired the Mexican Gas & Electric Co. and San Ildefonso Lighting Co. through formation of Mexican Electric Light Co. It also acquired in 1907 a competitive company known as the Robert Electric Co.

Mexico Tramways Co. got control in 1909 and in the same year the company acquired the Compania Electrica Irrigadora en el Estado de Hidalgo, S.A., which carried on a light and power business in the City of Pachuca. This company is now known as Pachuca Power & Light Co., all its stock being owned by the Mexican Light & Power Co.

Rescued From Receivership

In 1912 the company acquired El Oro Light & Power Co. Bond interest was defaulted as a result of revolutionary disturbances from 1914 to 1920, and a bondholders committee was formed to represent interests of parent company and all subsidiaries. The company went into a receivership which ended September 30, 1921. It was 1927 before final arrangements were made for liquidation of arrears of interest. In 1927 the company began construction of what is known as Tepuxtepec development with a planned capacity of 120,000 horsepower from four units, delivery from two units having been due at the end of 1930. In connection with this development a large dam was constructed across the Lerma River.

In 1928 the company acquired the light and power plant of the City of Toluca, about 40 miles from Mexico City.

Working capital of this company is strong, current assets being $4,011,721 and current liabilities $1,883,293, leaving working capital of $2,127,428. As the price of silver bullion in 1930 sank to the lowest point in history, the company will be suffering heavy losses in the conversion of its funds as the larger part of its income is received in silver coin. Measured in pesos the company has had good success.

Capitalization—	Authorized	Outstanding
Common No par value.	190,000 sh.	135,850 sh.
2nd pref. 4% cum. Par $5.	$5,700,000	$5,700,000
Pref. cum. 7% Par $100.	6,000,000	6,000,000
Funded Debt—		
First gold sinking fund 5%, due 1940	12,000,000	11,040,000
2nd mtge. 5% bonds due 1968	£3,000,000	$14,600,000
6% income bonds		11,482,000
Ten-year unsecured non-interest bearing notes, due 1937		2,147,758
Companies controlled by the company:		
Mexican Electric Light, 5% first mtge. bonds, due 1942		6,407,200
Pachuca Light & Power, 5% first mtge. bonds, due 1967.		3,893,333

Dividend Record—
Preference—7 per cent per annum, cumulative, payable May and November 1.
Second Preference—4 per cent per annum, cumulative, payable May and Nov. 1.
Ordinary—None paid since 1913, when 4 per cent per annum paid.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Earn. from oper.	11,084,771	10,728,966
Less Expenses	5,607,150	5,528,463
Total net inc. from oper.	5,477,621	5,200,503
Less: Addit'al. res. for doubt. accts. & exch.	1,127,064	961,663
	4,350,557	4,238,840
Add: Income from inv.	181,976	156,318
Misc. income	317,237	280,609
Total net income	4,849,770	4,675,767
Less: Admin. & gen. exp.	142,139	131,626
Total net earnings	4,707,631	4,544,141
Less: Bond interest:		
Mexican L. & P. Co.:		
5% 1st mtge. bonds	562,635	560,867
5% 2nd mtge. bonds	730,000	730,000
6% income bonds	690,690	697,800
7½% gen. unsec. bonds	90,295	......
Mexican Elec. Light Co.:		
5% 1st mtge. bonds	272,398	276,392
Pachuca Light & Pr. Co.:		
5% 1st mtge. bonds	194,667	194,667
Sinking fund reserves:		
Mex. Light & Pr. Co.:		
5% 1st mtge. bonds	120,000	120,000
5% 2nd mtge. bonds	116,800	116,800
6% income bonds	117,759	117,759
10-yr. non-int. bearing notes	560,000	535,000
Mex. Elec. Light Co.:		
6% 1st mtge. bonds	60,000	60,000
Pachuca Lt. & Pr.:		
5% 1st mtge. bonds	24,528	24,528
Net profit	1,177,859	1,110,329
Less appropriations:		
Divs., 1st pref. stock	420,000	420,000
Divs., 2nd pref. stock	228,000	228,000
Balance for year	529,859	462,327
Add: Profit on sale of inv.	......	53,803
Previous surplus	1,456,453	940,321
Surplus carried forward	1,986,313	1,456,453
Times Interest Earned:	1929	1928
After deprec., etc.	1.86	1.85
Earnings per Share and Dividend Record:		
7% 1st pref. shares: ($100 par)		
Earned	$19.63	$18.50
Paid	7.00	7.00
4% 2nd pref. shares: ($5 par)		
Earned	.66	.60
Paid	.20	.20
Ordinary shares: (No par value)		
Earned	3.90	3.40
Paid	...	...

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	45	43	80	60½	120	78
Preferred	..	..	69¾	..	100	86

*To March 2.

KAMINISTIQUIA

Kaministiquia Power Co., a wholly owned subsidiary of Abitibi Power & Paper Co., owns and operates a power plant at Kakabeka Falls on the Kaministiquia River, about 20 miles north of Fort William, Ont. It supplies the parent company's Fort William mill and other industrial customers in the Fort William district. The plant has a capacity of 35,000 horsepower.

Fort William Power Co. was formed in 1925 to acquire the Kaministiquia Power Co. and the Fort William Paper Co. The operations of the Fort William Power Co. and the Fort William Paper Co. were merged with those of the parent company and their charters surrendered while the Kaministiquia Power Co. is still being operated as a subsidiary.

Wahnapitae Power

With the redemption as of May 1, 1931, of the remaining first mortgage bonds of Wahnapitae Power Co., investment interest in that enterprise ceases except in so far as bonds of the Ontario Hydro-Electric Commission may be issued in respect to the present or future developments of the company. The Wahnapitae bonds, bearing 6½ per cent interest, were issued in 1924 and were due in 1944. The calling prior to maturity means that the holders get a premium of 5 per cent. It is understood that somewhat less than $500,000 of bonds are outstanding.

Wahnapitae Power Co. owns valuable power sites on the Wahnapitae river, Northern Ontario. The power is distributed in the Sudbury area. The Ontario commission is understood to have had an interest in the enterprise for some years but all of the stock was not bought until a year or more ago. Power demand in the Sudbury area has been growing rapidly and the commission has contracted to take a substantial block from the Ontario Power Service Corp., an Abitibi subsidiary.

Capitalization—	Authorized	Outstanding
Common stock Par $100.	$1,000,000	$710,400

Company is controlled by the Hydro-Electric Power Commission of Ontario.

Funded Debt—		
6½% first mtge. sinking fund gold bonds, due 1944	$1,000,000	$500,000

The bonds are being called for redemption on May 1, 1931, at 105.

ONTARIO POWER

Abitibi's Greatest Power Subsidiary Will Finish $23,000,000 Project in 1932

Ontario Power Service Corp., the principal power subsidiary of Abitibi Power & Paper Co., is engaged in the development of a power site on the Abitibi River at Abitibi Canyon, which will cost about $23,000,000. The initial development will be about 275,000 horsepower though a maximum capacity of 375,000 horsepower is possible.

The site is 70 miles North of Cochrane near the line of the T. & N. O., and the whole project has been given a favorable aspect by the agreement with the Ontario Hydro-Electric Power Commission to purchase up to 100,000 horsepower for forty years for delivery to a great transmission line over which power will be taken to Sudbury for use industrially, in the mines and for other purposes. The power will be delivered at Hunta on the Canadian National Line, and the company will send about 175,000 horsepower to Iroquois Falls and Smooth Rock Falls for steam generation at the company's mills.

Financed With Bonds

Under the agreement with Ontario Hydro-Electric Power Commission the latter will take 85,000 horsepower upon completion of the plant not later than October, 1932 and increase the purchase of power until 100,000 is being purchased in 1936 and thereafter. The contract does not expire until 1971 with the right to renewal by the commission until 1982.

The company financed the construction of this project through the issue of $20,000,000 5½ per cent first (closed) mortgage sinking fund gold bonds dated July 1, 1930, and due July 1, 1950. The trust deed provides for a sinking fund sufficient to redeem 40 per cent of all the bonds by maturity. Abitibi Power & Paper Co. contracts to pay for the additional power not sold to Ontario Hydro-Electric Power Commission a sum sufficient to assure the company of net earnings during the first seven years of its existence running steadily up from $2,172,000 in 1932-33 to $2,868,500 in 1938-39, and to see that annual net earnings do not fall under the latter figure after that period.

The original offering was made by Wood Gundy & Co. and many others in Canada and the United States to yield 6 per cent.

The dam is being erected on solid foundation and is being made of concrete construction. The power house is to be located in the gorge immediately below the dam and will contain five generating units of not less than 55,000 horsepower each. The plant will be well balanced between available water supply, turbine and generator capacities and transmission and distribution systems. Power will be developed under a net head of 237 feet.

Operations are well ahead of schedule. More than 1,500 men are employed and the bridge over the gorge and the de-watering tunnels to take the river past the development works are completed. There is every reason to believe that the development will be ready ahead of the time contracted for.

Capitalization—	Authorized	Outstanding
Common No par value.	40,000 shs.	20,020 shs.

Funded Debt—
1st mtge., 5½ per cent bonds, due 1950, outstanding $20,000,000.

NATIONAL L. & P.

Moose Jaw Company Earns Interest Twice Over in First Period

A newcomer to the ranks of privately owned public untilities in Canada is the National Light & Power Co., which last year bought the power and distribution system owned by the city of Moose Jaw, Sask. The new company is controlled by Iowa Southern Utilities, a Delaware corportation, which has had considerable experiecne in the operation of moderate-sized power companies in the Middle Western states.

The public investment interest in the Moose Jaw enterprise lies in the $2,000,000 of 6 per cent first mortgage bonds, which were offered last year to yield 6.05 per cent.

Bond Interest Earned Twice

Figures just released for publication shows that, between May 23 last (the date of the taking over of the plant) the company earned its bond interest twice over after allowance for depreciation. Net income available for bond interest was $168,033 for the period, before depreciation. The most significant figures, however, relate to the operating expense in the electric department. These totalled $24,303 in July, the first separate month of the new regime; there was a gradual decrease each month and in December, the expense was $20,692. Total production in 1930 was 23,146,970, which was an increase of 21.53 per cent.

The smallest decrease was in December, 1.4 per cent, which possibly reflects a condition of slow business in the territory served. However, the record of the management is such that it may be expected to weather any business depression. Moose Jaw is normally a growing city and the utility company can be expected to grow with it, thus continually improving the position of the first mortgage bonds. The franchise is an exclusive one for 20 years (the life of these bonds) and at the end of that time, if the city desires it, the plant may be purchased at replacement value, less obsolescence and depreciation.

Capitalization—	Authorized	Outstanding
Common No par value.	100,000 sh.	100,000 sh.
Preferred 7% Par $100.	$10,000,000	$1,100,000

No dividends paid to date.

Funded Debt—
1st mtge. sinking fund bonds series "A," due 1949, issued $2,000,000.
6 per cent 10-year notes, $200,000.

INCOME ACCOUNT

	May 23, to Dec. 31, 1930	July, 1930
Gross earn.	$345,668	$39,901
Oper. exp.	164,098	24,673
Net earn.	181,569	15,228
Less: Taxes	15,394	2,100
	166,175	13,128
Other income	1,858	233
	168,033	13,361
Less: Bond int.	72,767	10,000
Other int.	10,860	1,471
Amort. of disc.	5,793	853
Net income	78,613	1,037
Times Interest Earned:		
Before deprec.	2.31	1.34
After deprec.	*2.00	1.05

*Allowing for 8 months' depreciation totalling $23,000.

Our Part in the Trans-Canadian Telephone Project

The building of Canada's first coast-to-coast telephone route, a project in which all of the principal Canadian telephone systems are co-operating, is under way.

Our share is to span British Columbia with new telephone circuits from Vancouver to Crow's Nest Station on the Alberta boundary — a distance of nearly 700 miles.

We have a large construction crew at work on this project, and expect to have 225 miles of new pole line complete by the end of 1930.

Fulfillment of existing plans will find Vancouver and Halifax linked by an all-Canadian telephone line.

BRITISH COLUMBIA TELEPHONE COMPANY

MOOSE JAW

Entering New Period of Expansion with Ample Electric Power and Light Available for Industry.

THE whole industrial outlook of Moose Jaw was transformed when the National Light and Power Company early in 1930 offered favourable terms for the purchase of the city's municipal power plant and secured this utility for $2,875,000 cash.

At the present time Moose Jaw stands on the threshold of a great expansion armed with the most effective magnet for industries — adequate power at favourable rates.

Even before this important development Moose Jaw had established itself among the leading cities of the Prairie Provinces since it is the centre of the richest wheat belt in the world, possesses unexcelled transportation facilities, and is the distribution centre for a rich area comprising 30,000 square miles. These outstanding natural advantages assured the steady development of Moose Jaw in any case. The splendid power facilities now available simply further assure and hasten this development.

Advent of National Light and Power Company Changed Old Order of City's Development

The transformation of the power situation in Moose Jaw took place almost overnight. On one day the city was served by a municipally owned plant supplying power at comparatively high rates. New installations were needed, further expenditures had to be made, but no definite plan had been formulated to increase the efficiency of the unit. The next day the National Light and Power Company had bought the plant and agreed to reduce the rates and carry out all necessary extensions. Electric light rates were immediately reduced 10 per cent with a promise to cut them another 5 per cent in two years. Further reduction may be made at that time.

The National Light and Power Company recognized the potentialities of Moose Jaw. It saw the opportunities it offered to industry under improved power conditions. It saw the developments which must inevitably follow an adequate power supply in the heart of the district over which Moose Jaw holds commercial sway.

An increase in the sale of kilowatt hours of electric energy in Moose Jaw of 20 per cent in 1930 over 1929 is the best evidence that this foreseen development commenced at once and is still progressing. During 1930 the National Light and Power Company sold 23,278,230 kw. hours electric energy compared to 19,353,679 kw. hours for 1929.

Moose Jaw as a location for an industrial plant in Western Canada offers decided advantages which should be investigated.

For further particulars as to the city's advantages, write

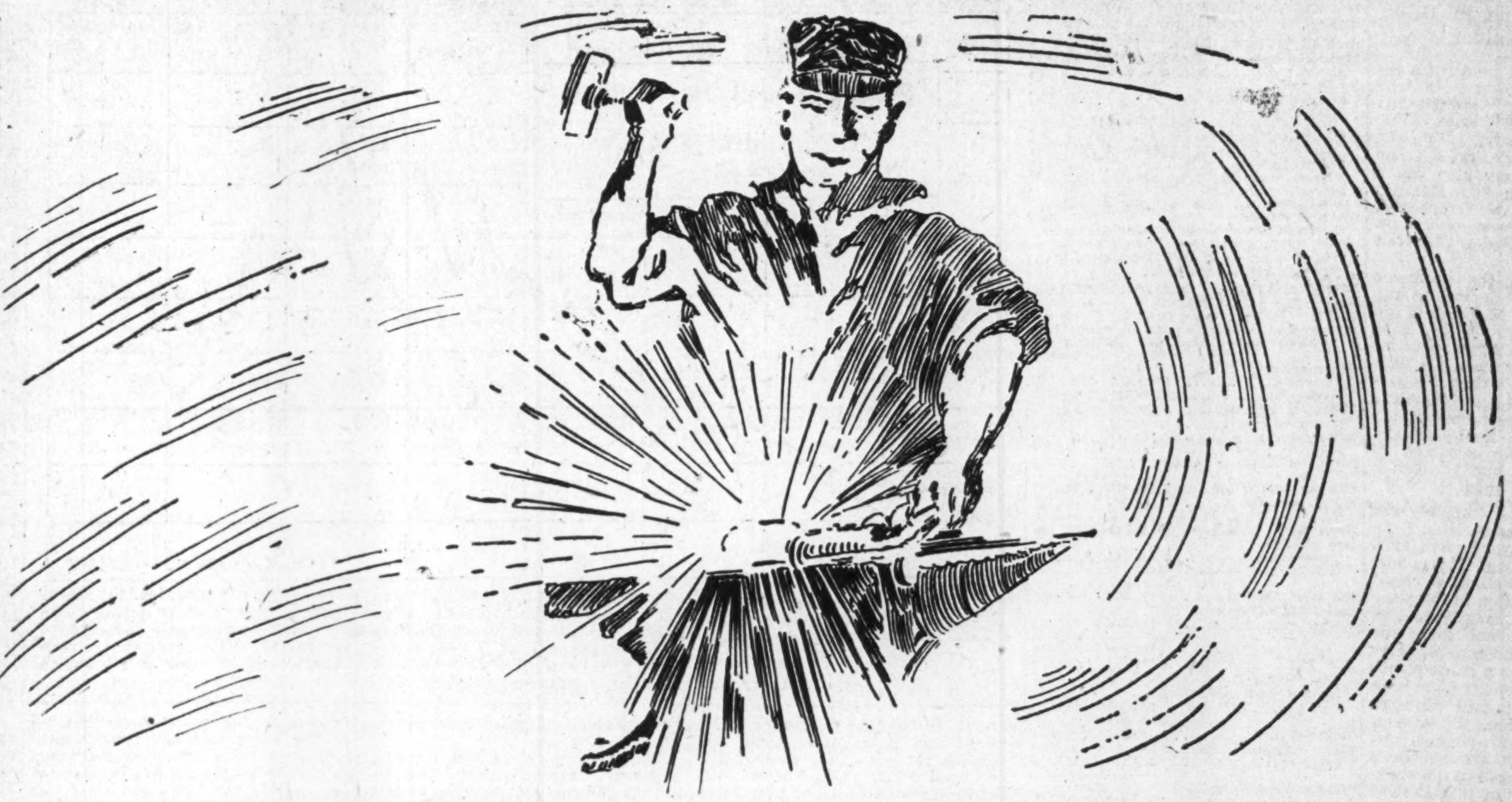
The Commissioner,
THE BOARD OF TRADE or
THE INDUSTRIALISATION COMMITTEE
Moose Jaw, Saskatchewan.

GAS—

The Industrial Fuel

EASILY CONTROLLED
SAFE : ECONOMICAL

FLEXIBLE : SPEEDY
CLEAN



The Economy of Gas as an Industrial Fuel

THE selection of a fuel suitable for an industrial operation is often a matter requiring careful thought. It is a problem of importance and its solution is apt to be well repaid.

The solution involves more than a simple calculation of the price per British thermal unit. Industrial heating operations and the conditions under which they are performed are too varied to be thus disposed of. The costs of handling and applying the fuel are of obvious importance.

Ease in handling, flexibility in application and facility of control are the considerations which have led to the adoption of a fuel which seems highly priced in terms of the invoice, but is actually low in price in terms of its cost per unit of finished goods produced.

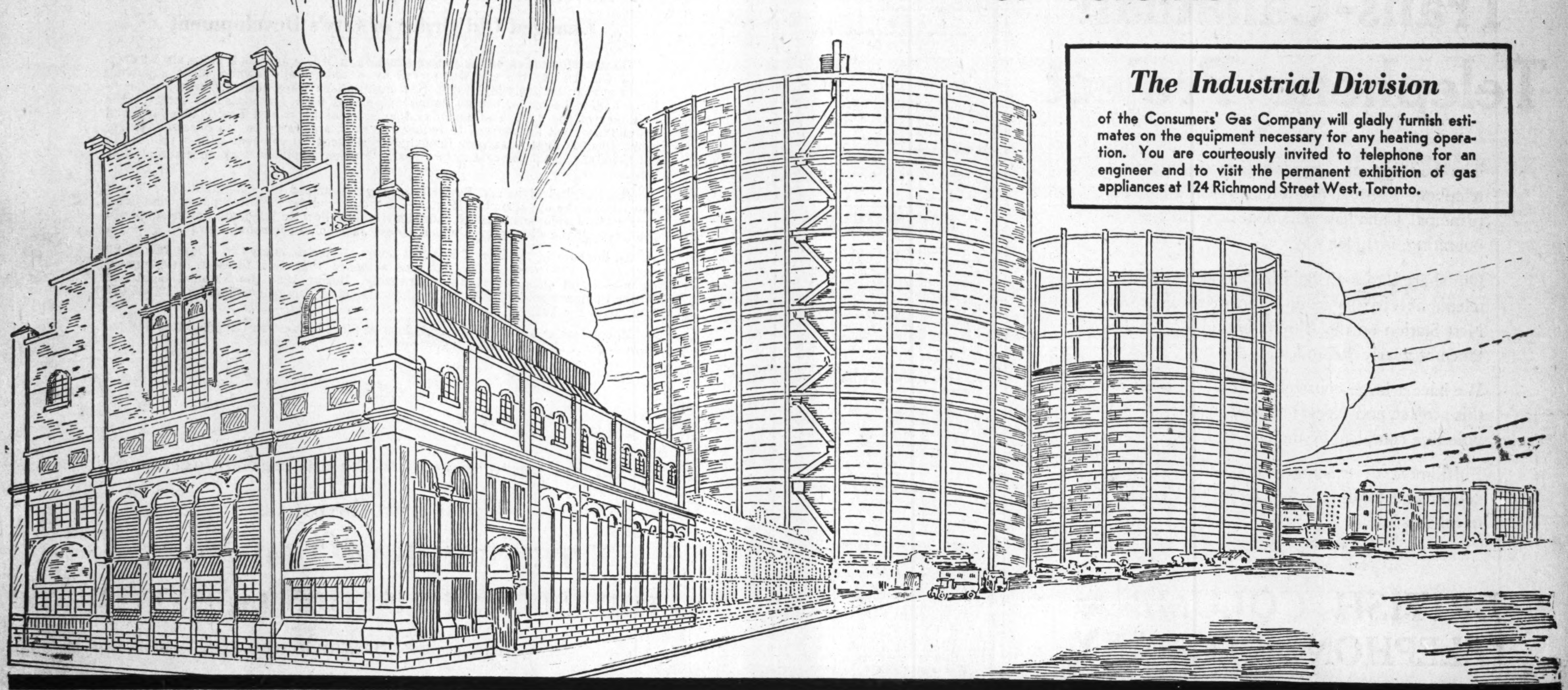
The use of manufactured gas in industry gives close control of furnace atmospheres and temperatures, reduces the amount of spoilage of material and reduces handling charges.

Sometimes, when other and less suitable fuels are used, it is not that the possible advantages of gas have been disregarded, but that they have been thought too expensive to obtain, or that they have never been brought to the attention of the proper parties.

The Consumers' Gas Company of Toronto

The Industrial Division

of the Consumers' Gas Company will gladly furnish estimates on the equipment necessary for any heating operation. You are courteously invited to telephone for an engineer and to visit the permanent exhibition of gas appliances at 124 Richmond Street West, Toronto.



Power and Public Utilities Investments

THIRD SECTION

THE FINANCIAL POST

THIRD SECTION

Vol. XXIV Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 12, 1931 10c a Copy; $5.00 a Year No. 11

Statistical Survey of Leading Canadian Power Distributors

Seven Year Analysis 1924-1930

Company	Year	Installed Horsepower Capacity	Output M.K.W.H.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Share Dividends	Common Share Price Range High	Common Share Price Range Low	Stock Rights	Year
Barcelona Traction L. & P. Co. † Kilowatts connected. (1) $50 par value. (2) Capital reorganization March, 1930—1 no par value share for each old one.	1924	279,849†	460,046	234,158	.....	$78,951,415	$23,248,900	$13,725,000 (1)	$2,999,287	$2,419,088	$........	......	....	...	23	13	......	1924
	1925	293,128	512,128	260,635	.....	78,247,160	23,248,900	13,725,000	3,678,234	2,233,985	....	$ 85,861	....	...	30	18¼	......	1925
	1926	310,153	530,295	280,361	2,631	66,324,018	25,193,400	14,362,500	4,030,090	2,049,448	....	54,373	....	...	39¾	26	......	1926
	1927	321,711	578,222	297,547	5,583	65,717,225	25,193,400	14,362,500	4,765,521	2,054,491	....	280,696	1.99	1.00	68⅛	33½	......	1927
	1928	336,872	620,174	314,357	8,128	67,852,965	25,193,400	14,362,500	4,812,137	1,918,205	....	492,268	1.26	1.00	78	56	......	1928
	1929	368,503	718,249	334,251	9,813	66,762,394	25,193,400	14,362,500	4,832,369	1,728,454	....	889,565	1.44	.50	65	47½	......	1929
	1930	......	......	......	.....	....	....	.... (2)	....	....	....	......	....	...	30	21 (2)	......	1930
Brazilian Traction L. & P. Co. † Kilowatts. (1) $100 par value. (2) New stock no par value—4 new for 1 old. (3) Plus sinking fund reserves. (Also operates tramway and telephone systems).	1924	169,400†	483,240	175,307	40,328	$68,335,277	$10,000,000	1,065,879 (1)	$26,936,767	$4,709,785	$4,238,848 (3)	$7,038,917	$6.60	$4.00	55¼	41¾	......	1924
	1925	210,400	479,540	185,853	44,136	68,021,825	10,000,000	1,065,883 (1)	31,243,759	4,391,087	4,807,980	7,655,286	7.18	4.00	84	49¾	......	1925
	1926	240,400	526,317	201,620	49,535	67,692,606	10,000,000	1,093,092 (1)	38,602,891	4,084,242	5,823,622	11,145,397	10.45	5.00	122	80	......	1926
	1927	275,450	629,558	230,721	54,241	67,347,146	7,279,100	5,483,278 (2)	38,319,989	3,889,853	6,156,699	11,418,391	10.45	6.00	234⅞	102½	......	1927
	1928	295,112	721,436	261,028	59,577	65,260,274	764,400	5,483,278	42,774,813	3,801,295	6,829,974	14,067,213	10.24 (1) 2.58 (2)	3.50 (1) 88 (2)	257 (1) 78 (2)	195 (1) 50 (2)	1 for 5 at $100 (Old stock)	1928
	1929	318,452	816,557	301,196	70,479	60,184,201	417,500	6,295,385	49,351,215	3,787,334	7,362,991	16,830,634	2.67	2.00	82	30	1 for 1 at $40	1929
	1930	......	......	......	.....	....	....	....	....	....	....	......	....	2% stock	55¼	19⅛	......	1930
B. C. Power Co. (1) Underlying bonds=$33,804,750. Underlying stocks=$12,142,075. (2) Underlying bonds=$28,799,883. Underlying stocks=$12,093,826 (Also operate tramways).	1924	......	......	......	26,590	....	....										......	1924
	1925	......	197,827	87,587	29,000	....	....										......	1925
	1926	212,200	228,947	89,270	33,158	....	....	(Control of B. C. Electric secured by B. C. Power early in 1928)									......	1926
	1927	212,200	263,720	94,611	36,484	....	....										......	1927
	1928	212,200	290,405	100,337	41,114	....	....								61-A 45½-B	48½-A 21½-B	......	1928
	1929	214,160	342,627	105,908	45,163	.... (1)		1,000,000 "A" (1) 1,000,000 "B"	$14,681,263	$1,983,416	$1,825,468		$2,632,980-A 632,980-B	2.63-A .63-B	2.00-A	60-A 40-B	35-A 18-B	......	1929
	1930	261,160	351,047	110,436	48,037	$10,000,000 (2)		1,000,000 "A" (2) 1,000,000 "B"	15,414,341	2,101,713	1,877,030		2,188,194-A 188,194-B	2.19-A .19-B	2.00-A	45½-A 26½-B	32-A 10½-B	......	1930
Calgary Power Co. (1) London, Eng., prices. (2) New York bid. (3) Steam.	1924	32,000	......	......	.....	$ 2,842,620	....	$1,900,000	$ 371,956	$ 144,357	$ 50,000	$96,822	$5.05	...	52 (1)	15½ (1)	......	1924
	1925	32,000	63,191	......	.....	2,806,120	....	1,900,000	409,793	141,547	50,000	113,336	5.96	...	46 (2)	..	......	1925
	1926	32,000	70,475	......	.....	2,768,647	....	1,900,000	450,961	139,508	50,000	125,427	6.60	...	52½ (1)	51	......	1926
	1927	32,000	78,638	......	.....	2,728,740	....	1,900,000	496,583	137,472	60,000	129,594	6.82	1.25	100	50	......	1927
	1928	32,000 18,000 A (3)	100,199	......	.....	2,710,338	$2,500,000	2,500,000	966,147	168,949	93,109	226,197	9.05	5.00	170	100	1 for 10 at $100	1928
	1929	70,000 18,000 A (3)	123,319	......	.....	2,661,560	4,600,000	2,500,000	1,506,913	135,682	150,000	288,628	11.55	5.00	180	165	2 for 5 at $100	1929
	1930	70,000 18,000 A (3)	136,794	......	.....	10,000,000	6,000,000	3,500,000	....	....	....	......	....	6.00	198	150	......	1930
Canada Northern Power Co. (1) 5 new shares for 1 old share of no par value. (2) Two quarterly dividends.	1924	73,000	......	......	.....	....	....	....	....	....	....	......	....	...	..	..	......	1924
	1925	73,000	......	......	.....	$ 5,605,900	$ 4,000,000	$ 50,000	$1,035,851	$ 290,027	$ 274,364	......	....	...	30	27	......	1925
	1926	73,000	224,683	7,510	.....	14,826,500	4,607,200	50,000	2,562,185	823,355	425,000	538,739	.77	...	43	27	......	1926
	1927	73,000	259,603	8,742	.....	14,627,000	5,000,000	50,000	2,812,514	898,337	476,000	84,334	1.68	...	75	51	......	1927
	1928	93,000	343,930	9,524	.....	15,000,000	5,154,900	75,000	3,088,529	787,034	558,767	372,849	4.97	...	100	70½	1 for 4 at $50	1928
	1929	93,000	347,827	9,980	.....	15,000,000	5,154,900	375,000 (1)	3,116,597	820,018	600,000	265,572	.71 (1)	.30 (2)	35½ (1)	18 (1)	......	1929
	1930	105,000	367,130	13,337	.....	17,000,000	5,500,000	375,000	3,181,504	810,769	600,000	215,312	.31	.60	21	14	......	1930
Canadian Hydro-Electric Co. † Funded debt and advances—Subsidiaries only. (1) Minority stock interest—$349,600. (2) Minority stock interest—$199,600. (3) Minority stock interest—$199,600. (4) Minority stock interest—$199,600 (5) September 30, 1930 (12 months).	1924	......	......	......	.....	....	....	....	....	....	....	......	....	...	...	...	......	1924
	1925	......	......	......	.....	....	....	....	....	....	....	......	....	...	...	...	......	1925
	1926	......	......	......	.....	....	....	....	....	....	....	......	....	...	...	...	......	1926
	1927	......	......	......	.....	$59,056,407†	$37,500,000 (1)	$5,000,000	....	....	....	......	....	...	(All common stock owned by Inter. Hydro Electric System)		......	1927
	1928	......	1,294,961	......	.....	73,773,788	37,500,000 (2)	5,000,000	$4,367,393	$2,272,811	$ 297,427	......	....	...			......	1928
	1929	622,600	2,097,793	......	.....	82,907,455	37,500,000 (3)	5,000,000	6,855,777	4,027,915	406,861	......	....	...			......	1929
	1930	676,600	2,503,299	......	.....	82,719,061 (5)	37,500,000 (4)	5,000,000 (5)	8,201,650 (5)	4,288,033 (5)	622,674 (5)	......	....	...	...	...	......	1930
Montreal Light, Heat & Power (1) New stock—3 for 1 split—$100 to n.p.v. (2) New stock—2 for 1 split. (3) New stock. (4) Now on $1.50 basis. (5) Bonus preferred—issued in July—redeemed November. (6) Buys large blocks of power from Shawinigan and others. (7) Not including subsidiaries.	1924	282,400 (6)	1,157,649	175,315	134,978	.... (7)	....	$64,651,000	$17,394,092	$1,209,778	$1,739,409	$6,460,412	$9.00	$7.00	188	140	......	1924
	1925	282,400	1,175,430	187,284	144,201	....	....	64,683,900	18,348,806	1,213,650	1,834,880	6,676,377	10.51	7.75	220	152	......	1925
	1926	282,400	1,251,502	196,992	153,506	$30,000,000	$32,863,950 (5)	1,941,837 (1)	18,907,382	1,611,121	1,890,738	7,082,567	3.46 (1)	6.00 .83⅓ (3)	240 75 (1)	209⅛ 61 (1)	......	1926
	1927	282,400	1,354,895	207,360	162,349	29,780,000	....	2,041,837	20,314,902	2,922,913	2,031,490	6,893,094	3.36	2.00	96½.	68	......	1927
	1928	282,400	1,450,485	219,501	173,598	29,549,000	....	2,041,837	21,235,991	2,928,516	2,123,599	7,866,462	3.85	2.40	120	89	......	1928
	1929	282,400	1,568,864	231,172	184,629	29,306,000	....	2,041,837	22,286,284	2,803,409	2,228,628	8,737,638	4.28	2.40	180	98	......	1929
	1930	282,400	1,650,626	240,965	191,879	34,051,000	....	4,083,674 (2)	23,484,079	3,138,600	2,348,407	8,943,584	2.19 (2)	.60 1.12 (4)	162 68¾ (3)	121 52½ (3)	1 for 10 at $50	1930
Nova Scotia Light & Power Co. (1) Reorganization: 1 new no par value common for 10 old $100 shares and 1.54 shares new common for each preferred held. (2) Available for preferred and common. † Arrangements for power supply with Avon River Power and N. S. Power Commission. (Also operates tramways).	1924	8,310†	......	......	Unreported	$3,735,000	$2,078,800	$2,510,000	$1,299,371	$ 217,940	$ 42,653	...... (2)	....	...	Not Listed		......	1924
	1925	8,310	20,900	10,071	"	3,718,000	2,078,800	2,510,000	1,344,098	216,925	151,276	......	....	...	..	..	......	1925
	1926	8,310	22,157	10,379	"	3,701,000	2,078,800	2,510,000	1,438,903	216,214	169,186	$ 33,217	....	...	..	..	......	1926
	1927	8,310	23,903	10,737	"	3,682,000	2,078,800	2,510,000	1,472,664	214,976	137,373	68,476	....	...	..	..	......	1927
	1928	8,310	27,464	......	"	3,500,000	750,000	34,523 (1)	1,642,385	193,767	175,000	182,073	4.62	...	..	..	......	1928
	1929	8,310	30,999	12,234	"	3,500,000	750,000	34,523	1,819,322	178,434	175,000	243,029	5.74	1.00	..	..	......	1929
	1930	8,310	......	......	"	4,310,500	1,250,000	34,523	....	....	....	......	....	4.00	..	..	1 preferred for 8 shs. held at 97%	1930
Ottawa Light, Heat & Power Co. † Purchases 15,000 h.p. and surplus power from other producers.	1924	19,300†	......	......	.....	$2,211,340	$1,500,000	$3,500,000	$1,720,841	$ 125,458	$ 109,951	$205,000	$5.86	$6.00	97	82	......	1924
	1925	19,300	......	......	.....	2,187,540	1,500,000	3,500,000	1,787,182	136,526	104,950	210,334	6.01	6.00	103½	95½	......	1925
	1926	19,300	......	......	.....	2,157,000	1,500,000	3,500,000	1,854,383	142,375	105,284	255,545	7.30	6.00	100¼	95½	......	1926
	1927	19,300	......	......	.....	4,000,000	1,500,000	3,500,000	1,920,942	138,465	130,000	265,747	7.59	6.00	141¼	99	......	1927
	1928	19,300	......	......	.....	3,968,000	1,500,000	3,500,000	2,035,184	202,569	100,000	213,938	6.11	6.00	136	120	......	1928
	1929	19,300	......	......	.....	3,934,000	1,500,000	3,500,000	2,165,328	208,501	135,000	223,747	6.39	6.00	120	89	......	1929
	1930	19,300	......	......	18,000	3,899,000	1,500,000	3,500,000	2,212,886	196,281	135,000	231,093	6.60	6.00	101⅛	87	......	1930
Quebec Power Co. (1) Changed from $100 to no par value, 4 new shares for 1 old. † Buys large block from Shawinigan. (Also operates tramways).	1924	......†	......	......	.....	$5,000,000	$2,238,750	$3,933,800	$ 908,470	$ 300,000	$ 30,000	$192,001	$4.88	$4.00	95	64	......	1924
	1925	......	......	......	.....	5,000,000	3,542,370	3,999,150	1,046,944	300,000	60,000	242,834	6.07	5.00	119	86	......	1925
	1926	......	79,171	32,650	8,650	5,000,000	3,592,400	4,026,350	1,238,302	300,000	100,000	315,802	7.48	5.50	200	113	......	1926
	1927	......	109,788	34,284	9,212	5,000,000	....	400,000 (1) 10,000,000	1,572,230	300,000	100,000	856,227	2.14 (1)	5.50 .50 (1)	88½ (1) 312	72 (1) 190	......	1927
	1928	......	163,359	39,024	9,963	12,000,000	....	502,877	3,198,487	511,774	100,000	1,199,724	2.39	2.00	115	68½	......	1928
	1929	43,325	164,878	40,683	10,275	12,000,000	....	553,198	3,543,795	588,252	150,000	1,502,527	2.72	2.25	99	53	......	1929
	1930	43,325	153,622	42,497	10,854	11,881,000	....	553,198	3,677,103	600,000	150,000	1,630,999	2.95	2.50	70½	40	......	1930
Shawinigan Water & Power Co. (1) Old $100 par value shares split 1 for 4 shares of no par value. † Buys 100,000 h.p. from Duke-Price Power; 10,000 h.p. from Southern Canada Power. (Primarily wholesaler).	1924	......†	......	......	.....	$22,246,500	....	$22,000,000	....	....	....	......	....	...	137⅛	118¼	1 for 10 at $100	1924
	1925	......	......	......	.....	23,148,500	....	25,000,000	6,702,034	1,334,538	350,000	2,016,339	7.86	7.50	175	131	1 for 20 at $100	1925
	1926	......	2,129,881	......	.....	26,129,500	....	1,100,000 (1)	7,660,208	1,459,744	350,000	2,607,324	9.30	8.00	275⅓	167⅓	1 for 10 at $150	1926
	1927	584,000	2,681,031	......	.....	35,000,000	....	1,200,000	9,362,828	1,637,493	400,000	2,894,782	2.41 (1)	2.00(1)	277½ 94¾ (1)	264 67 (1)	1 for 4 at $50 1 for 11 at $50	1927
	1928	653,000	3,067,830	......	.....	53,013,500	....	1,867,072	11,562,331	2,250,000	800,000	4,048,523	2.17	2.00	109¾	75½	1 for 10 s'k bonus	1928
	1929	693,600	3,460,531	......	.....	58,974,000	....	2,178,250	13,475,862	2,857,754	800,000	5,107,979	2.34	2.12½	107½	68¾	1 for 6 at $50	1929
	1930	718,625	3,276,114	103,000	.....	85,215,000	....	2,178,250	14,954,074	3,450,807	800,000	5,770,670	2.65	2.50	82⅛	47	......	1930
Southern Canada Power Co. (1) No par value. (2) Old stock split 4 for 1.	1924	9,600	48,734	16,217	.....	$5,548,496	$2,984,800	50,000 (1)	$ 1,150,863	$ 270,958	$ 115,100	100,583	2.01	2.00	73	48	......	1924
	1925	57,600	85,511	18,269	.....	5,507,024	3,840,100	50,000	1,213,665	269,305	121,365	89,788	1.79	2.00	84	67	......	1925
	1926	57,600	122,218	20,065	.....	7,100,556	4,865,100	60,000	1,389,131	333,068	138,900	148,588	2.47	2.00	100	81¾	1 for 5 at $80	1926
	1927	57,600	123,452	21,662	.....	6,955,531	4,905,100	60,000	1,534,280	357,414	153,000	180,350	3.01	3.00	140	87	1 for 5 at $80	1927
	1928	57,600	138,160	23,552	.....	6,932,605	4,975,700	100,000	1,809,566	344,208	181,000	377,010	3.77	4.00	180	125	......	1928
	1929	59,600	154,528	25,543	.....	6,866,268	4,975,700	400,000 (2)	2,095,912	342,977	209,590	493,253	1.23 (2)	1.00 (2)	64½ (2)	64½ (2)	......	1929
	1930	60,800	170,685	26,594	.....	6,841,367	5,884,600	400,000	2,257,421	341,461	225,770	486,386	1.22	1.00	87½	24	......	1930
Winnipeg Electric Co. (1) 1928—$100 par value stock changed to no par—share for share exchange. (2) Deficit. (3) Dividend last paid Aug. 1, 1930. (4) Not including subsidiaries. † Has large resources through subsidiaries: Manitoba Power, 168,000 h.p.; Northwestern Power building, 225,000 h.p. plant. (Also operates tramways).	1924	47,000†	143,239	20,823	21,733	$15,380,000 (4)	$3,000,000	$11,000,000	$1,888,013	$ 700,463	$ 201,050	$ 35,382 (2)	....	...	38¼	24	......	1924
	1925	47,000	153,859	21,929	20,703	16,380,000	3,000,000	11,000,000	2,067,365	872,914	201,050	237,554	2.16	2.00	53½	36½	......	1925
	1926	47,000	168,702	23,301	19,773	16,378,000	3,000,000	11,000,000	2,269,205	915,962	201,050	359,531	3.18	2.00	64	40½	......	1926
	1927	47,000	185,568	25,286	19,613	16,380,000	4,156,900	15,000,000	2,498,287	937,159	201,050	452,055	3.02	2.00	104½	61	4 for 11 at $60	1927
	1928	47,000	212,608	27,455	19,056	16,380,000	4,987,400	150,000 (1)	2,542,210	909,479	201,050	428,209	2.85	2.00	128¾	93	......	1928
	1929	47,000	230,588	29,797	18,569	16,380,000	5,000,000	229,483	2,815,740	930,079	488,416	619,551	2.70	2.00	109½	45	1 for 3 at $60	1929
	1930	47,000	......	......	.....	....	....	....	....	....	....	......	....	1.00 (3)	54	13¾	......	1930

Note:—These figures are secured from reliable sources, but are not guaranteed.

SHAWINIGAN WATER & POWER

Good Progress Recorded During 1930—Work Proceeds on Upper St. Maurice Development—Good Success in Attracting New Industries to Area

Shawinigan Water & Power Co. again recorded progress in 1930, with output maintained and, gross and net earnings, and share profits increased.

During the past year 3,276,114,085 kw.h. were generated and delivered. This shows a decrease of 5.33 per cent as compared with the figure of 3,460,531,057 for 1929. The peak load in that year was 722,000 h.p. and for 1930, 731,000 h.p. Although there was a slight decrease in the kw.h. output, owing to the lower load factor of the paper companies' operation, there was no corresponding decrease in the company's power revenue.

Power is now distributed over 3,870 miles of transmission and distribution lines, as compared with 1,622 miles in 1924. The company is giving service either directly or through subsidiaries to 103,000 customers, or, at a conservative estimate, to a population of over half a million people. Service is provided for 406 cities, towns and municipalities.

Build up Area

In the last few years the company has directed efforts toward increasing its distribution business as well as exploiting the industrial possibilities of the territory served. In the last eighteen months, for example, there have been established within the district served by the company and its subsidiaries, twenty-one small industries, giving employment to 1,685 employees and calling for the delivery of approximately 6,500 h.p.

Plenty of Power

Shawinigan is particularly fortunate in respect to its power resources. At the end of last year, it had available 828,625 h.p. Of this total its subsidiary, Quebec Power, controlled 43,325 h.p., while 100,000 h.p. was purchased from Duke Price Power and 10,000 h.p. from Southern Canada h.p. and the balance produced in its own plants.

An additional 30,000 h.p. will be installed at La Gabelle early this summer, which will make a total amount of power available by that time of 858,625 h.p.

Looking ahead to the future requirements of the district served, the company has under way an extensive development programme on the Upper St. Maurice River. Up to date considerable progress is being made on the construction of the initial plant at Rapide Blanc, which will be equipped to produce 167,000 h.p. There are several other sites on this river, aggregating over 1,000,000 h.p., which will be developed as time and conditions warrant.

Has Wide Interests

Aside from the production and distribution of power, Shawinigan has numerous other interests which account in part for its outstanding importance in the Canadian public utility field. It controls Quebec Power Co. distributing power and electricity in the city and district of Quebec and operating the Quebec Railway, Light and Power Co.

It has an important subsidiary in Shawinigan Chemicals, which is a growing revenue producing unit. This company turns out a number of products, principally calcium carbide and acetic acid. Already a considerable portion of the output of this plant has been contracted for in full during 1931.

Stake in United Securities

Jointly with Montreal Power, Shawinigan controls United Securities. This latter company controls Canadian Light and Power Co., operating a plant of 31,300 h.p. on the St. Lawrence River and St. Lawrence and Montreal Tramways Co., which onws and operates the street railway and autobus systems in the City of Montreal and suburban municipalities on the Island of Montreal.

Other investments of the company include a substantial stock interest in Montreal Light, Heat and Power Cons., one-third of the capital stock on the Niacet Chemicals Corp. and 20 per cent stock interest in the Duke-Price Power Co.

Issued More Bonds

During the past year the company carried out additional financing in the form of $35,000,000 of first mortgage bonds. Proceeds of this financing were used in part in connection with the installation of a new unit, transmission and distribution lines, additions to the chemical plant, as well as for the redemption of the funded debt of a subsidiary, Laurentide Power Co. The balance is being used on account of capital account this year.

Until within recent weeks, Shawinigan stock has been depressed to a level where it was returning a comparatively high yield of 5 per cent. Of late, however, the stock has strengthened up but is still selling below the level prevailing for other first class Canadian utility stocks.

Capitalization—	Authorized	Outstanding
Com., $2.50 ..., No par value.	2,600,000 sh	2,178,250 sh.

Funded Debt—
1st mtge. and collateral trust bonds outstanding:
Series "A," 4½%, due 1967, $36,000,000.
Series "B," 4½%, due 1968, $15,959,000.
Series "C," 5%, due 1970, $15,000,000.
Series "D," 4½%, due 1970, $19,256,000.

Market Record—

	*1931	1930	1929
Common: High	56¾	82⅛	111
Low	49¼	47	65

*To March 2.

Beauharnois Electric Co.
(Wholly-owned by the Shawinigan Water & Power Co.)

Capitalization—	Authorized	Issued
Common .... Par $100.	$425,000	$425,000

Entire capital stock owned by the Shawinigan Water & Power Co.

Funded Debt—
1st refunding gold bonds, 6 per cent, due 1958, series "A," outstanding $1,350,000.

Shawinigan Falls Terminal Rly. Co.
(Wholly-owned by the Shawinigan Water & Power Co.)

Capitalization—	Authorized	Outstanding
Common .... Par $100.	$300,000	$300,000

Entire stock issue is owned by the Shawinigan Water & Power Co.

Funded Debt—
First mtge. bonds, 5 per cent, due 1957, outstanding $142,266. The Shawinigan Water & Power Co. owns all the bonds.

SHAWINIGAN WATER & POWER CO.
INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1930 $	1929 $	1928 $	1927 $	1926 $	1925 $
Gross income	14,954,074	13,475,862	11,562,331	9,362,828	7,660,208	5,702,034
Less:						
Operating expenses....	1,014,657	950,758	521,402	338,939	279,271	259,023
Power purchased......	1,387,318	1,224,814	2,435,246	3,088,626	2,095,522	1,779,511
Mainten. and repairs...	835,644	925,750	572,330	301,355	233,439	389,608
Taxes and insurance...	538,256	447,545	294,280	254,212	236,271	213,551
General expenses......	854,253	862,209	436,280	337,415	288,632	252,877
Water storage rentals, provincial gov't......	302,469	299,053	204,269	110,006	110,006	106,587
Total deductions......	4,932,597	4,710,129	4,463,808	4,430,553	3,243,141	3,001,157
Net earnings...........	10,021,477	8,765,733	7,098,523	4,932,275	4,417,067	3,700,877
Less:						
Depreciation..........	800,000	800,000	800,000	400,000	350,000	350,000
Bond interest..........	3,450,807	2,695,673	2,025,000	1,637,493	1,459,744	1,334,538
Int. paid Laurentide Co.	......	162,081	225,000	......	......	......
Net profit..............	5,770,670	5,107,979	4,048,523	2,894,782	2,607,324	2,016,339
Less appropriations:						
Dividends............	5,445,625	4,317,603	2,361,423	2,200,000	2,050,000	1,676,250
Transferred to:						
Res. and sink. und	......	952,002	196,089	......	50,000	50,000
Fire insur. reserve				......	......	20,000
Empl. pension fund				......	......	5,000
Surplus for year†........	325,045	*161,626	991,006	694,782	507,324	265,089
Add: Previous surplus....	1,314,027	1,928,344	1,091,850	758,859	573,246	449,969
Adjustments.........	......	24,911	......	......	......	......
Less: Inc. tax (prior year)	283,693	227,602	154,512	136,791	121,711	141,811
Adjustments.........	19,987	......	......	......		
Additional depreciation	......	250,000	......	225,000	200,000	......
Balance carried forward†.	1,335,392	1,314,027	1,928,344	1,091,850	758,859	573,246

* Deficit. † Subject to income tax.

Times Interest Earned						
Before depreciation....	2.90	3.25	3.51	3.01	3.03	2.77
After depreciation.....	2.67	2.96	3.11	2.77	2.79	2.51
Earnings Per Share and Dividend Record:						
Common: Earned.....	$2.65	$2.34	$2.17	$2.41	$9.30	$7.86
Paid.......	2.50	2.12½	2.00	2.00	8%	7½%

MONTREAL TRAMWAYS

Company Represents Paradox of Profitable Street Railway Organization, Despite Difficulties of Other Traction Companies

Controlled by United Securities

Report of the Montreal Tramways Commission indicates that the financial statement of Montreal Tramways Co. for 1930 will compare favorably with that of the preceding year. Though the financial statement of the company will not be available until the end of March, the commission's report shows that receipts of the company in 1930 amounted to $14,016,665 compared with $14,421,539 in 1929 and $13,891,202 in 1928.

Montreal Trams is one of the few street railway organizations on the continent being operated on a profitable basis. Though other companies in this field of activity experienced considerable trouble in making ends meet, Montreal Trams has been able to consistently earn its dividend requirements of $10 a share by a comfortable margin.

This satisfactory situation is largely due to the existence of an agreement between the company and the city, which provides for the maintenance of fares at a level sufficient to meet all operating expenses and taxes; ample funds for maintenance and renewal; payment to the city of the rental of $500,000; a return of six per cent on the capital value of property, as well as six per cent on all working capital; an amount to be set aside each year to cover expenses of financing; and a profit sharing scheme in surplus earnings.

This contract has worked out very satisfactorily, property has been maintained in excellent condition, revenue has been in excess of dividend requirements, while relations between the city and the company have been most amicable.

During the past year two developments of interest to the shareholders have taken place. In the first place, the company issued $2,000,000 of series "D" first mortgage bonds last September. The capitalization of the company now consists of $49,087,800 of funded debt and $7,000,000 of common stock of the par value of $100 a share.

More important, however, is the plan recommended by the company to the city council for the construction of eight miles of subway at a cost of approximately $65,000,000 and the raising of the fares to a basis of 7 for 50 cents, such tickets to be good on subways, surface trams or buses. This project would be completed by 1936.

It is claimed by the company that traffic in the city is becoming so congested that it will soon have a detrimental effect on down town business and therefore property values in the business section.

To finance this undertaking, the company proposes a bond issue of $65,000,000, the principal and interest of which would be guaranteed by the city. The project is still in the tentative stage and will have to be approved by the city and the Provincial Government before work can proceed.

Capitalization—	Authorized	Outstanding
Common 10% ..... Par $100.	$20,000,000	$7,000,000

38,336 shares are held by United Securities, giving that company control.

Funded Debt—
1st & refund, 5% due 1941 21,351,000
Gen. and refund 5% mtge. due 1955, all series A to D, $27,736,800.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	171	165	180	165	193	170

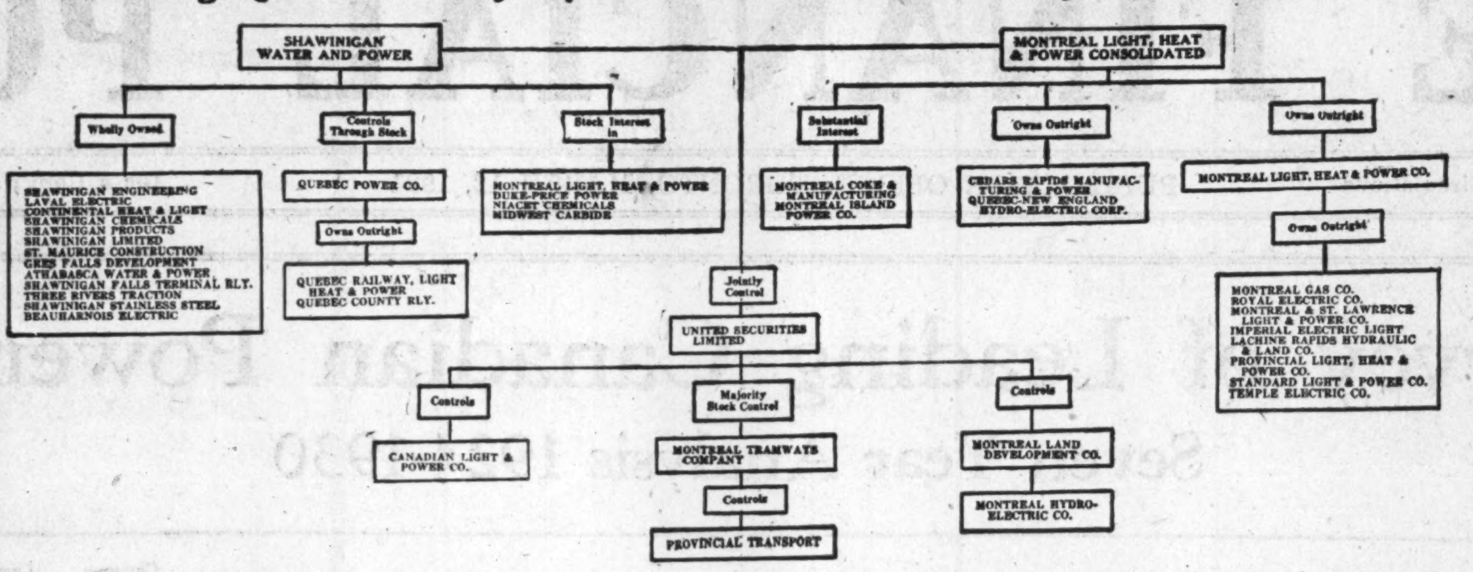
*To March 2.

MONTREAL TRAMWAYS
INCOME AND SURPLUS ACCOUNT, YEARS ENDED

	Dec. 31, 1929 $	Dec. 31, 1928 $	Dec. 31, 1927 $	Dec. 31, 1926 $	Dec. 31, 1925† $	Dec. 30, 1925 $
Revenue:						
Under contract	3,072,972	2,895,442	2,940,346	2,729,622	1,286,185	2,460,552
Other revenue	125,562	64,685	67,784	76,104	68,641	116,389
Gross earnings	3,198,534	2,960,127	3,008,130	2,805,726	1,354,826	2,576,941
Less:						
Int. on bonds and loans .	2,226,635	2,110,167	2,120,722	2,118,060	1,023,214	1,283,881
Interest on debentures ...	......	......	......	......	......	661,875
Other expenses	6,517	6,538	4,922	8,507	10,122	7,390
Net profits	965,382	843,422	822,486	679,159	321,490	623,794
Less appropriations:						
Dividends	669,650	550,000	499,602	400,000	200,000	400,000
Surplus for year	265,732	293,422	382,884	279,159	121,490	223,794
Add: Previous surplus	1,969,503	1,676,081	1,293,197	1,014,038	892,547	668,753
Balance carried forward ..	2,235,235	1,969,503	1,676,081	1,293,197	1,014,037	892,547
Times Interest Earned ...	1.44	1.40	1.42	1.32	1.31	1.32
Earnings per Share and Dividend Record:						
Common: Earned	$13.79	$14.06	$17.65	$16.98	$8.03	$15.59
Paid	10.00	10.00	10.00	10.00	5.00	10.00

†6 months period.

Big Quebec Utility Operators Have Community of Interest


SHAWINIGAN WATER AND POWER
MONTREAL LIGHT, HEAT & POWER CONSOLIDATED
Wholly Owned
Controls Through Stock
Stock Interest in
Substantial Interest
Owns Outright
Owns Outright
SHAWINIGAN ENGINEERING
LAVAL ELECTRIC
CONTINENTAL HEAT & LIGHT
SHAWINIGAN CHEMICALS
SHAWINIGAN PRODUCTS
SHAWINIGAN LIMITED
ST. MAURICE CONSTRUCTION
GRES FALLS DEVELOPMENT
ATHABASCA WATER & POWER
SHAWINIGAN FALLS TERMINAL RLY.
THREE RIVERS TRACTION
SHAWINIGAN STAINLESS STEEL
BEAUHARNOIS ELECTRIC
QUEBEC POWER CO.
Owns Outright
QUEBEC RAILWAY, LIGHT HEAT & POWER
QUEBEC COUNTY RLY.
MONTREAL LIGHT, HEAT & POWER
DUKE-PRICE POWER
NIACET CHEMICALS
MIDWEST CARBIDE
MONTREAL COKE & MANUFACTURING
MONTREAL ISLAND POWER CO.
CEDARS RAPIDS MANUFACTURING & POWER
QUEBEC-NEW ENGLAND HYDRO-ELECTRIC CORP.
MONTREAL LIGHT, HEAT & POWER CO.
Owns Outright
MONTREAL GAS CO.
ROYAL ELECTRIC CO.
MONTREAL & ST. LAWRENCE LIGHT & POWER CO.
IMPERIAL ELECTRIC LIGHT
LACHINE RAPIDS HYDRAULIC & LAND CO.
PROVINCIAL LIGHT, HEAT & POWER CO.
STANDARD LIGHT & POWER CO.
TEMPLE ELECTRIC CO.
Jointly Control
UNITED SECURITIES LIMITED
Controls
CANADIAN LIGHT & POWER CO.
Majority Stock Control
MONTREAL TRAMWAYS COMPANY
Controls
PROVINCIAL TRANSPORT
Controls
MONTREAL LAND DEVELOPMENT CO.
MONTREAL HYDRO-ELECTRIC CO.

The close relationship existing between Shawinigan Water and Power Co. and Montreal Light, Heat and Power Consol. is well illustrated by the above layout. Between them, the companies control the major share of the utility business in Quebec, supplying power and light to Montreal, Quebec and over 400 towns and municipalities within the province. Also they have a direct or indirect interest in tramway systems, coke, gas and chemical plants, autobuses, hotels, land companies, investment holding companies, etc.

QUEBEC POWER CO.

Good Financial Statement Presented for 1930—Domestic Rates in Quebec City Subject of Condemnation of Special Committee

Controlled by Shawinigan Water and Power Co.

Quebec Power Co., controlled by Shawinigan Water & Power Co., continues to record expanding operations and increased earnings. The area served by the company has felt the business depression over the past twelve months, but despite that the company was able to show increased earnings on its common stock during 1930.

At the present time the company serves a population of approximately 250,000 people in 73 cities, towns and villages, including the cities of Quebec and Levis. At the end of last year there were 42,497 electric customers on the company's books, a gain of nearly 2,000 over the preceding year. At the same time there was an increase in the number of gas customers from 10,275 to 10,854.

Increase Plant Facilities

This increase in demand for the company's services made necessary various capital expenditures during the past year. Five miles of lines were added to the distribution system within Quebec City, while 19 miles of transmission and distribution lines were added in the rural districts. The new gas plant which was completed at the end of 1929 has been recording satisfactory service. This division shows a gradual increase, the average daily consumption now being approximately one billion cu. ft. of gas.

Lower Domestic Rates

Due to the increase in consumption of electricity, the company made a change in the lighting rate schedule in the city of Quebec for domestic purposes. Rates were reduced by putting into force a sliding scale rate of benefit to consumers of more than 32 kw.h. per month, or to all domestic lighting customers paying more than $1.60 per month, while the ordinary rate was reduced from 5½ to 5 cents net.

Trouble Over Rates

During December a special committee appointed by the Quebec municipal council reported upon the power situation in Quebec and charged that the Quebec Power Co. rates were too high. On the other hand, the Quebec Board of Trade issued its own report, which was to the effect that revenues derived from the public by the company did not represent anything like exploitation or profiteering having regard to local conditions. The company in turn has stated that it is fully aware of its responsibility of supplying electricty to the City of Quebec at reasonable prices. It stated that when the per capita consumption of energy increased, steps would be taken to see that further reductions of rates were made.

Wind-up Subsidiaries

During June last the company took steps to simplify its corporate structure, through the winding up and surrendering charters of certain subsidiary organizations. Companies dissolved included: La Corporation d'Energie, Montmagny, Kamouraski Hydro-Electrique, Ltee., La Compagnie Electrique de Bellechasse, La Compagnie Electrique de Montmagny, and the Laurentian Power Co.

Capitalization—	Authorized	Outstanding
Common, $2.50 . No par value.	600,000 shs.	653,198 shs.

Over 54 per cent of the outstanding common stock is owned by Shawinigan Water & Power Co.

Funded Debt—

First mtge. series "A" 5% bonds, due 1968	$7,987,500
Debenture stock, 5% due 1968	3,893,500

INCOME AND SURPLUS ACCOUNT,
Years Ended Dec. 31

	1930 $	1929 $
Gross earnings	3,677,103	3,543,795
Less: Oper. exps. ...	1,296,104	1,303,016
Net earnings	2,380,999	2,240,779
Less: Depreciation ..	150,000	150,000
Sundry int.	......	......
Bond & deb. int.	600,000	588,252
Net profit	1,630,999	1,502,527
Less appropriations:		
Com. dividends	1,382,995	1,162,975
Surplus for year	248,004	339,652
Add: Previous surplus	†291,417	†163,870
Less: Transfer to reserve	......	100,000
Bal. carr. forward‡ ...	539,421	403,422

‡Subject to deduction for income tax.
†After deduction of income tax for prior year and other adjustments.

Times Bond Interest Earned:		
After depreciation ..	3.72	3.55
Earnings Per Share and Dividend Record:		
Common: Earned ...	$2.95	$2.72
Paid	2.50	2.25

Market Record—

Common	*1931	1930	1929
High	45¾	70½	99
Low	40	40	53

*To Mar. 2.

QUEBEC RAILWAY, LIGHT & POWER

Capitalization—	Outstanding
Preferred	$ 750,000
Common	2,500,000

All owned by the Quebec Power Co.

UNITED SECURITIES

Company and Subsidiary Declare First Dividends on Common

Jointly Controlled by Montreal Power and Shawinigan

Through Canadian Light & Power Co. and Montreal Tramways Co., United Securities Ltd. controls the street railway system of Montreal and district as well as hydro-electric power developments on the St. Lawrence river near St. Timothee and Lapraire, P.Q.

A noteworthy occurrence in the situation surrounding the company was the declaration of an initial dividend of 2 per cent on its common shares in February, 1931. A dividend of 1 per cent was also declared on the common stock of Canadian Light & Power, representing its first disbursement; this payment benefits United Securities since it holds a substantial block of Canadian Light common.

Properties controlled by United Securities are valuable and over a period of years should show an increase in returns to the parent company. Montreal Tramways, for example, is expanding steadily and recent reports indicate a maintenance of earnings at comparatively high level. Though Canadian Light & Power has not done anything out of the way in the last year or so, its position is satisfactory and may prove a more important source of income as years go by.

Control of United Securities rests equally with Montreal Light, Heat & Power Cons. and Shawinigan Water and Power Co. The last financial statement included among capital liabilities $4,655,372 of preferred stock. The financial statement for the fiscal year, 1931, will be free of this item.

Income and surplus account showed a steady increase in share earnings, the latest return being $3.38 in the fiscal year, 1930. Investment interest in the junior security of the company is limited.

Capitalization—	Authorized	Outstanding
Common, Par $100	$14,000,000	$5,126,178

Initial dividend of 2% payable Apr. 10, 1931.

Funded Debt—
Collateral trust gold bonds, series "A" 5½ per cent, due 1952, $3,519,000.
5½ per cent, series "B," due 1952, $1,580,000.

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1930 $	1929 $
Income:		
Div. from invest. ..	287,520	......
Int. on loans	19,622	7,878
Int. on bonds	145,145	302,307
Miscellaneous	4,930	9,970
	457,217	320,155
Rec. on acc. of sale of Q. N. E. H. E. Corp.	400,000	400,000
Less: S. F. for red. of pref. stock	†379,044	†378,891
Net earnings	478,173	341,264
Less: Expenses	23,381	14,176
Int. on loans ..	128	4,951
Bond int.	281,281	206,446
Net profit	173,383	115,691
Less appropriations:		
Pref. div.‡	......	......
Surplus for year	173,383	115,691
Add: Previous surplus	41,090	128,477
Disc. on bonds red.	399	......
Surp. from Q.N.E.H.E. sale	174,563	......
Adjustments	......	65
Less: Inc. tax (prior year)	6,609	5,862
Prem. on bonds red.	......	1,281
Bond disc. writ. off	......	196,000
Book value of invest. w/o	381,105	......
Bal. carr. forward ...	1,721	41,090
Times Bond Int. Earn.:	1.62	1.54
Earnings Per Share and Dividend Record:		
Preferred:		
Earned	§..	§..
Paid	$6.00	$6.00
Common:		
Earned	3.38	2.26
None paid.		

†Includes dividends.
‡Amount of preferred dividends paid is not shown separately in 1929 or 1930.
§Exact figures not determinable, as preferred dividends not shown separately.

CANADIAN LIGHT & POWER
(Controlled by United Securities)

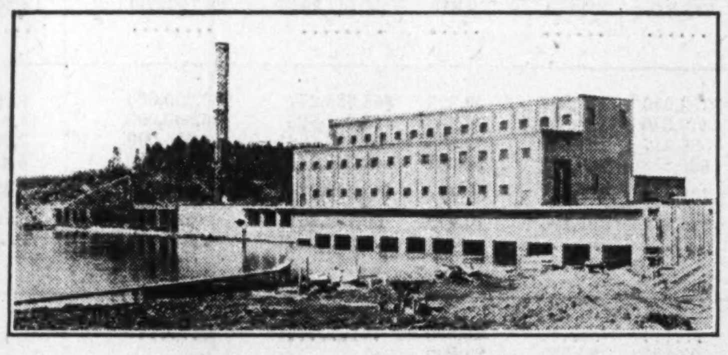
Capitalization—	Authorized	Outstanding
Stock, Par $100 ...	$3,325,000	$3,324,800

United Securities, owns the majority of the stock.
Initial dividend of 1% payable Apr. 7, 1931.

Funded Debt—

First gold bonds, 5 per cent, due 1949	$3,170,000

Built to Serve a New Mining Area



This illustration shows the newly completed 42,000 h.p. plant of the Churchill River Power Co., a subsidiary of the Hudson's Bay Mining and Smelting Co., which will take care of Northern Manitoba's mining industry's power needs. Actually the plant is located in Saskatchewan, but transmission lines carry the power to the neighboring province.

MONT. ISLAND PWR.

Six of Ten Units Now Installed and Operating

Jointly controlled by Power Corp. and Montreal Power

Montreal Island Power now has installed and in operation six units, producing a minimum of 30,000., which amount is contracted for by Montreal Light, Heat and Power Cons. Plans of the company call for an ultimate development of ten units, capable of producing a maximum of 120,000 h.p. and minimum of 70,000 h.p.

Though the company has been a producer for two years, no financial statement has been issued. This is due to the fact that virtually complete stock control rests between Montreal Light, Heat and Power Cons. and Power Corp. of Canada, the former carrying on the managerial duties. Montreal Power customarily does not issue reports on its controlled companies.

Montreal Island Power is in a favorable position in so far as a market for its output is concerned. The full output has been contracted for by Montreal Power, to be taken in stipulated annual amounts. Up until October 15 last, deliveries had been at the rate of 20,000 h.p., but at that time delivery was stepped up to 30,000 h.p.

Capitalization—	Authorized	Outstanding
Common .... No par value.	100,000 shs.	75,000 shs.
Preferred 6% ..... Par $100.	$1,000,000	$1,000,000

Funded Debt—
First mortgage, 5¼ per cent, series "A," due 1957, $9,250,000.

Market Record—

	*1931	1930	1929
Common: High	..	39	48
Low	..	25	35

*To March 2.

Net decrease in the number of power plants operating in Canada in 1928 was 28, the largest increase being 9 in British Columbia and the largest decrease being 26 in Alberta.

MONTREAL POWER

Maintains Position as Canada's Strongest Utility—Widening Scope of Operations on Island of Montreal—Power Resources Ample

Montreal Light, Heat & Power Cons. retained and strengthened its position as one of the strongest publicly owned utilities operating in Canada. The company supplies all the gas, electric light and power requirements of Greater Montreal and surrounding districts, embracing a population of over a million and a quarter. The territory served comprises 43 municipalities including the City of Montreal and covers the entire Island of Montreal and adjacent sections of Ile Jèsus and the South Shore.

Operations can be divided into two sections, namely, power and gas. The company ranks as one of the largest retail power distributors on the continent, having sold 1,650,636,000 kw.h. to 240,965 customers in 1930.

Adequate Power Resources

Power supply is obtained from two sources, its own plant and purchases from wholesalers. It has generating stations at Lachine Rapids, Cedar Rapids and Soulanges, Chambly and owns jointly with Power Corp. of Canada, through Montreal Island Power Co., a plant on the Back River. The installed capacity of these plants, including a steam auxiliary plant in Montreal, totals 325,425 h.p.

To supplement electric power generated in its own plants, Montreal Power purchases 145,000 h.p. from Shawinigan, 30,000 h.p. from Montreal Island Power, and has contracted for an additional 150,000 h.p from Beauharnois Light, Heat and Power, Co., delivery to be commenced in 1932.

These resources aggregate some 635,000 h.p., against present requirements of Montreal totalling about 350,000 h.p.

Big Gas Property

Montreal Power also owns gas manufacturing properties and controls with the Koppers Co. a by-product coke plant, which are operated by Montreal Coke and Manufacturing Co. as a unit. The combined installed capacity of these properties total: 18,000,000,000 cu. ft. of gas; 450,000 tons of domestic and metallurgical coke, 20,000,000 pounds of ammonium sulphate, 3,500,000 gallons of tar, 730,000 pounds of sulphur and 1,890,000 gallons of Benzol per annum.

Last year the company reported a gas output of 6,241,947,000 cu. ft., which was distributed to 191,879 customers. In the preceding year, output amounted to 5,969,800,000 cu. ft., and customers to the number of 184,629.

In addition to its operating subsidiaries, Montreal Power has substantial investments in other companies. Through the sale of stock to shareholders and to customers last year, the company will receive by the middle of next year an amount in excess of $40,000,000. While a fair proportion of this money will be used for plant improvements and extensions, the greater part will be reinvested. In this way, Montreal Power has taken on the form of an investment trust, as well as that of an operating and holding company.

With Shawinigan Water and Power Co., Montreal Power controls United Securities, which in turn controls Montreal Tramways Co., Canadian Light and Power Co. and other subsidiaries. Montreal Tramways own and operate the street railway system and auto-bus service of Montreal and suburban municipalities. It is a large consumer of electric power and purchases about 60,000 h.p. annually from Montreal Power. Canadian Light and Power has a hydro-electric generating station at St. Timothèe, on the St. Lawrence River, with an installed capacity of 31,300 h.p.

Capital Stock Changes

Several important changes took place in the capital set-up of the company during the past year. Early in March, the company floated a bond issue of $5,000,000, proceeds of which were largely used to pay off the company's indebtedness to United Securities in respect to the purchase of Quebec-New England Hydro-Electric Corp. This brought the funded debt of the company up to $34,051,000.

In the following month the directorate proposed, and the shareholders approved, of a split in stock on the basis of two new shares for one old. At the same time stockholders were given the right to subscribe to one new share at $50 for each ten new shares held.

Offer Customers Stock

Influenced by the successful customer stock ownership campaign in the fall of 1926, the company again offered treasury stock to customers at $50 a share on the basis of three shares to gas customers and seven shares to electrical customers, while users of the dual service could subscribe for a total of ten shares. Payments spread over a period of two years.

As a result of this campaign, which was highly successful, the company received approximately 60,000 subscriptions for over 500,000 shares.

The aggregate number of shares subscribed for by shareholders, customers and employees, was 993,687.

Increase Stock Dividend

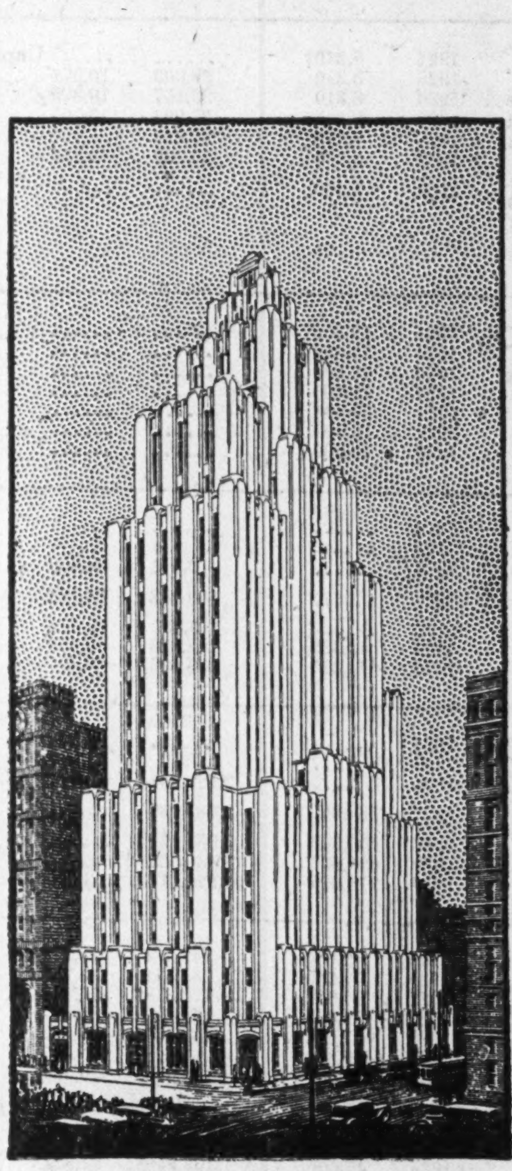
With the split in stock, the management made a simultaneous announcement of an increase in the dividends. The old stock was receiving $2.40 a share, while the new stock was put on a dividend basis of $1.50, or the equivalent of $3 on the old stock.

The successful showing made by the company in 1930 permitted the management to declare a reduction in the electric lighting rates from 3.25 cents per kw.h. net to 3 cents, the latter figure graduating down-

(Continued on page 35)

ALDRED & COMPANY
LIMITED
MONTREAL

CORPORATION



FINANCING ■

Aldred Building, Place d'Armes, Montreal

NEW YORK
40 Wall Street

LONDON
24 Lombard Street

PARIS
20 Place Vendôme

BEAUHARNOIS POWER

Seek Rights to Divert Additional Water from St. Lawrence River—Constructional Activity is Well Ahead of Schedule

Beauharnois Power Corp. has applied to the Quebec Government for authority to divert a further 30,000 cu. ft. of water per second from the St. Lawrence. Granted this right, the company will then have 82,000 cu. ft. of water, which will permit of an installation of approximately 800,000 h.p., compared to the present development of 500,000 h.p.

Beauharnois is still in the development stage; considerable progress has been made in constructing the canal and power house. The work is well ahead of schedule and costs are stated to be running below those originally estimated.

Work Well Advanced

At the power house and tail race sites, about 550,000 cu. yds. of material have been excavated from the total of 1,300,000 cu. yds. which must be moved. About 10,700,000 cu. yds. of material have been handled along the route of the canal, representing almost a third of the total which must be moved to install the initial development. Approximately 40,000 cu. yds. of concrete have been processed by the mixing plants; the power house will require 350,000 cu. yds. in all.

Dredging of the canal between Lake St. Francis and Lake St. Louis is nearly half completed. The contours along the canal route are such that more embankings than excavations are required. Two dykes, over half a mile apart, have been erected in the fifteen miles between the two lakes.

Operations this spring will be devoted to further dredging, erection of steel, pouring of concrete and placing of some of the water power equipment.

Operate Next Year

According to the present schedule, the Beauharnois will have installed before October 1 next year, some 200,000 h.p. This will be added to from time to time until the development is fully completed.

A market for the hydro-electric energy has been arranged. At the time the financing was undertaken more than a year ago, it was officially announced that company had a contract from the Ontario Hydro-Electric Power Commission for 200,000 h.p., while another contract for 150,000 h.p. had been signed with Montreal Light, Heat and Power Cons. Since then the company has made further announcements to the effect that 12,000 h.p. has been sold to Montreal Cottons Co., while a block of 50,000 h.p. has been sold under long turn contracts. There is no official information as to the identity of the purchaser of the last block of power.

More Financing Expected

Up to the present Beauharnois Power Corp. has carried out public financing to the extent of $30,000,000 collateral trust bonds. This amount is insufficient to meet the full cost of the development, and it is anticipated that a subsidiary company, Beauharnois Light, Heat and Power Co., will undertake some major financial operations this year. The amount of bonds which this company will place on the market, may run as high as $50,000,000, which will be allotted in amounts depending upon market conditions.

Capitalization—	Authorized	Outstanding
Class "A" com.	1,799,995 sh.	1,791,000 sh.
Class "B" com.	*3,200,000 sh.	None
Managem't pref.	5 sh.	5 sh.

No par value.

*600,000 class "B" non-voting common shares are available for purchase under stock purchase warrants attached to the collateral trust bonds.

Funded Debt—

Collateral trust sinking fund bonds, 6 per cent, due 1959, outstanding $[illegible]900,000.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Class "A"	8¼	7	15½	7	17	12

*To March 2.

QUINTE AND TRENT

Troubles of Parent Company Reflected in Lower Operations

Controlled by Can. Paperboard

Activities of Quinte and Trent Valley Power Co. have been seriously hampered through the closure of two paperboard mills which obtained their power requirements from the company. These mills, operated by Canadian Paperboard Co. which also controls Quinte and Trent Valley Power, were shut down early in 1930 owing to unsatisfactory conditions in the board market.

While Quinte and Trent Power also supplies energy to the Toronto plant of Canadian Paperboard, earnings fell off sharply following the shut-down of the Frankford and Campbellford mills. Efforts were made to dispose of the surplus power which was flung on the market but as yet have proved unsuccessful. In June, 1930, preferred dividends were passed and in January, 1931, bondholders ratified a proposal to defer interest on their holdings from January 1, 1931, to July 1, 1932.

The paperboard market is showing signs of improvement but until the paperboard mills are reopened there is little of encouragement in the situation surrounding Quinte and Trent Valley Power Co.

Capitalization—	Authorized	Outstanding
Common	10,000 shs.	5,006 shs.
No par value.		
Preferred 7%	$500,000	$350,000
Par $100.		

Dividend Record—

Preferred—7 per cent per annum, payable quarterly, Jan., April, July and Oct. 1. Dividend deferred July 1, 1930, none since.

Common—$1 per share paid in 1927. None since.

Funded Debt—

First mortgage 6 per cent sinking fund gold bonds, series "A," due 1956, $614,800.

At meeting Dec. 29, 1930, bondholders agreed to allow company's interest obligations to lapse for 18 months to July 1, 1932, when interest accumulations shall be payable.

CALGARY POWER CO.

Transmission System Now Covers Greater Part of Alberta—Make Entry Into Saskatchewan—Interconnection with East Kootenay Power

Though Calgary Power Co. has been extending its scope of activities steadily, a feature of operation in 1930 was the entry of the company, through a subsidiary, into the power field in Saskatchewan. Operations of the company had largely been confined to Alberta but in November, 1930, Calgary Power acquired a light and power system serving about 52 communities in the area surrounding Regina.

This system, which was formerly owned by Montreal Engineering Co., extends in a south-easterly direction toward the Manitoba and international boundaries. Power is purchased, but steps are being taken to acquire a generating plant to supply the newly acquired system.

Dominates Alberta Field

Calgary Power Co., however, is primarily interested in the province of Alberta and is the dominant utility in that province. Its transmission lines have been widely extended in recent years, additional distribution systems have been acquired, and power production has been increased to keep pace with expansion.

A recent addition to the Calgary Power Co., taken over in January, 1931, was the Vulcan Light and Power Co. Hitherto this system was supplied in bulk but acquisition will allow Calgary Power to expand its activities in this locality.

Further a company will carry out a survey of a hydro power site on the Athabasca River, northwest of Epsom and about 140 miles west of Edmonton, where a potential development is available.

A factor which has enabled Calgary Power to continue its expansion programme, was completion of a hydro-electric development of 36,000 h.p. on the Ghost River. This station was brought into production late in 1929 and its operation found full reflection in 1930, output of the company increasing by about 13,000,000 kw.h.

A transmission line 180 miles long was constructed between Edmonton and the Ghost plant, enabling an interchange of power while the transmission line has been tapped at various points to supply power to communities hitherto served by a small local plant. This factor enables the company to reduce its rates and a new schedule for rural towns and villages in Alberta was announced in June, 1930.

Float Bond Issue

To reimburse it for various extensions carried out, Calgary Power undertook considerable financing in 1930. An issue of $8,000,000 of 5 per cent first mortgage bonds was offered in April, 1930, replacing a former issue of $2,644,060 5 per cent bonds which were redeemed. In November an additional $2,000,000 of first mortgage bonds were sold to finance the purchase of the Saskatchewan system and $1,000,000 of 6 per cent preferred stock was also issued.

Though the company's earnings have been effected to some extent by industrial conditions in Western Canada, gross earnings for the first nine months of 1930 were 30 per cent in excess of those for the corresponding period in 1929. A reflection of this improvement was seen in the dividend on the common shares, which was increased from an annual rate of $5 a share to $6 a share in April, 1930.

Capitalization—	Authorized	Outstanding
Common 6%	$5,000,000	$3,500,000
Pref. 6%	7,500,000	6,000,000
Par $100.		

Funded Debt—

1st mtge. S. F. bonds, 5%, due 1960, outstanding $10,000,000.

INCOME AND SURPLUS ACCOUNT, Years Ended Dec. 31

	1929 $	1928 $
Gross earn.	1,506,829	949,422
Less: oper. exp.	649,897	432,259
Net earn.	856,932	517,163
Add: Other income ..	84	16,725
Total net earnings ...	857,016	533,888
Less: Depreciation ...	150,000	93,109
Sundry int. ...	2,360	32,780
Bond int.	133,322	136,169
Taxes	45,560	20,633
	331,242	282,691
Net profit	525,774	251,197
Less appropriations:		
Preferred divd. .	237,146	25,000
Common divd. .	125,000	102,500
Surplus for year	163,628	123,697
Add: Prev. surplus ..	622,095	689,894
Adjustment ...	3,597	......
Reinstat. of def. chgs. to be amortiz.	191,496	......
Profit on sale of cottages	950	......
Less: Exp. & comm. on pref. stock writ. off	......	191,496
Bal. carr. forward ...	981,766	622,095
Times All Int. Earned:		
After depreciation .	5.21	2.61
Earnings Per Share and Dividend Record:		
Preferred:		
Earned	11.43	10.05
Paid	6.00	1.00
Common:		
Earned	11.55	9.05
Paid	5.00	5.00

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	146	145	198	150	180	160

*To Mar. 2.

Taxes paid by central electric stations in 1928 totalled $4,597,399, of which $4,180,443 was paid by commercial or privately owned stations and $416,956 by municipal stations.

HYDRO SECURITIES

Has Large Stake in United States Utilities

Though income of Hydro-Electric Securities Corp. in the third quarter of the last fiscal year showed a shrinkage, sharp gains in previous months enabled the company to show earnings equal to $1.49 a share for the first nine months of 1930 as compared with $1.40 a share in the same period in 1929. This showing was also made on 1,423,974 shares outstanding in 1930 as compared with 916,163 in the previous year.

The company derives its revenue from investments made, for the greater part, in public utility stocks in various countries of the world, though 90 per cent of its resources are invested in the United States.

Investment in States

In its investment portfolio the company includes over 1,733,000 "A" and common shares of United States Electric Power Corp., which owns about 70 per cent of Standard Power and Light Co. Hydro-Electric Securities also holds some preferred stocks in United States Electric Power and the total holdings in this company at the end of 1929 had a valuation of over $40,000,000.

Assets Bulk Large

While investments at the end of 1929 were valued at around $43,000,000, it was stated that by May, 1930, the value of these had increased to about $112,000,000, which figure included $12,500,000 derived from the issuance of common stock under option. The balance sheet as at the end of 1930 is not yet available.

While Hydro-Electric Securities has a valuable stake in the public utility field, its operations are affected by stock market conditions. The company, however, weathered the first nine months of 1930 in a satisfactory manner and indications are that the company will make a fair showing for the 12 months period.

Capitalization—	Authorized	Outstanding
Common $2	2,000,000 sh.	1,423,524 sh.
No par value.		
Class "A" pfd. 5 per cent	30,000,000	nil
Par $100.		
Class "B" pfd. 5 per cent	20,000,000	20,000,000
Par $10.		

Funded Debt—

The company is authorized to issue $50,000,000, per cent bonds, but to date, none have been issued.

INCOME AND SURPLUS ACCOUNT Years Ended Dec. 31

	1929 $	1928 $
Ordinary income:		
Divs. & int. (cash) ..	1,663,569	1,024,383
Divs. (stock)	1,232,145	......
Less int. paid	......	338,256
	2,895,714	686,128
Extraordinary income:		
Coupon bonds funded	54,955	......
Prof. on sale of invest.	4,066,503	610,311
Total income	7,017,172	1,296,439
Less: Admin. & gen. exp.	103,967	138,300
Net profit	6,913,205	1,159,135
Less appropriations:		
Pref. dividends	1,000,000	332,521
Com. dividends	852,129	......
Surplus for year	5,061,076	826,614
Add: Prev. surplus	1,021,838	498,328
Less: Syndicate part. w/o	......	275,000
Formation exp. w/o .	......	28,104
Officers and dirs.' remuner. for 1928 ..	19,362	......
Bal. car. forward	6,063,552	1,021,838
Earn. per Share and Dividend Record:		
Class "B" Preferred:		
Earned	$2.84	$0.58
Paid	0.50	0.50
Common:		
Earned	5.08	0.22
Paid	1.00	...

EARNINGS

	1930 $	1929 $
Net ordinary income:		
Quar. ended Sept. 30	1,043,028	1,112,308
9 mos. ended Sept. 30	2,993,207	2,098,996
Year ended Sept. 30 .	3,666,596	2,587,910
Earnings per share (Com.):*		
Quar. ended Sept. 30	$0.52	$0.87
9 mos. ended Sept. 30	1.49	1.40
Year ended Sept. 30 .	1.78	1.66
Shares outstanding (Com.):		
As at Sept. 30	1,423,974	916,163

Market Record:

	*1931	1930	1929
Common: High	29⅝	55	83
Low	22	21	32⅛

*To March 2.

MONTREAL POWER

(Continued from page 34)

wards to 1.50 cents per kw.h. for quantity consumption.

Adding to Territory

For several years past, Montreal Power has taken steps to secure wider distributing facilities on the Island of Montreal and contiguous territory. As previously mentioned, the company now supplies all the electric light, gas and power requirements of Greater Montreal and surrounding districts. Over the past twelve months the company has taken over the municipal systems of St. Lambert, Greenfield Park, Mackayville, Riviere des Prairies, Cote de Liesse, Baie d'Urfe, St. Vincent de Paul, Beaconsfield and Senneville. It is likely that other municipal plants will be taken over during the current year.

Capitalization—	Authorized	Outstanding
Common $1.50 ...	$5,000,000	4,083,674 sh.

In May, 1930, shareholders approved the by-law authorizing the increase of the capital stock to $5,000,000 and the two for one division of the shares.

Funded Debt—

1st refund and coll. trust series "A," 5 per cent, due 1951, outstanding $29,051,000; series "B," 5 per cent, due 1970, $5,000,000.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	62¾	54⅛†	77	55½	180	98

*To March 2.
†New.

MONTREAL LIGHT, HEAT & POWER (Controlled by Montreal Light, Heat & Power Consolidated)

Capitalization—	Authorized	Outstanding
Common	$22,000,000	$18,800,000
Par $100.		

99.2 per cent of this stock was acquired by Montreal Light, Heat & Power Consolidated, in 1916, by an exchange of shares on the basis of three shares of Consolidated stock for one share of the stock of this company.

Funded Debt—

First mortgage and collateral trust, 4½ per cent, due 1932, outstanding $7,500,000. Lachine sinking fund 5 per cent bonds, due 1933, outstanding $3,120,000.

PROVINCIAL LIGHT & HEAT (Controlled by Montreal Light, Heat & Power Co.)

Capitalization—	Authorized	Outstanding
Common	$500,000	$500,000
Par $100.		

$475,000 held by Montreal Light, Heat & Power Co.

First mortgage 5 per cent bonds, due 1946, outstanding $1,458,000, of which $452,000 has been redeemed for purposes of the sinking fund but is still bearing interest.

CEDAR RAPIDS MANUFACTURING (Controlled by Montreal Light, Heat & Power Consolidated)

Capitalization—	Authorized	Outstanding
Common	$10,000,000	$8,900,000
Par $100.		

99.3 per cent of the stock is held by the Montreal Light, Heat & Power Consolidated.

Funded Debt—

First mortgage 5 per cent bonds, due 1953, outstanding $14,121,200.

QUEBEC-NEW ENGLAND HYDRO (Wholly owned by Montreal Light, & Power Consolidated)

Capitalization—

Authorized and issued, $350,600.

All owned by Montreal Light, Heat & Power Consolidated.

Funded Debt—

Montreal Public Service first and refunding 5 per cent bonds, due 1942, outstanding, $2,968,000.

INCOME AND SURPLUS ACCOUNT YEARS ENDING DECEMBER 31

	1930 $	1929 $	1928 $	1927 $	1926 $	1925 $
Gross earnings..........	23,484,080	22,286,284	21,235,991	20,314,902	18,907,382	18,348,806
Less: Exp. & taxes....	9,053,487	8,516,609	8,317,414	8,467,405	8,322,956	8,623,899
Dep. res........	2,348,408	2,228,628	2,123,599	2,031,490	1,890,738	1,834,880
Net earnings............	12,082,185	11,541,047	10,794,978	9,816,007	8,693,688	7,890,027
Less: Fixed charges....	3,138,601	2,803,409	2,928,516	2,922,913	1,611,121	1,213,650
Net profits.............	8,943,584	8,737,638	7,866,462	6,893,094	7,082,567	6,676,377
Less appropriations:						
Dividends paid......	5,837,779	4,890,470	4,354,650	3,915,423	5,135,041	4,256,639
Dividends accrued...						862,452
Pension fund........	20,000	20,000	20,000	20,000	20,000	20,000
Insurance res........	......	250,000	......	300,000	58,044	......
Conting. reserve.....	......	250,000	465,997	......	......	......
Surplus for year.........	3,085,805	3,327,168	3,025,814	2,657,671	1,869,482	1,537,286
Add: Previous surplus....	......	......	......	......	......	9,329,062
Bal. carried forward.....	*3,085,805	*3,327,168	*3,025,814	2,657,671	*1,869,482	10,866,348

*Transferred to capital and surplus.

Earnings Per Share and Dividend Record:

Common:	1930 $	1929 $	1928 $	1927 $	1926 $	1925 %
Earned.............	†2.19	4.28	3.85	3.36	3.46	10.51
Paid...............	(a) 1.73	2.40	2.40	2.00	6% 83⅓*	7½

*1st dividends on new no par stock.
†Based on shares outstanding at close of fiscal year, after giving effect to 2 for 1 split.
(a) At the rate of $2.40 per annum (old stock) for 1st quarter, and at rate of $1.50 per annum (new stock) for remaining three-quarters of year.

MACLAREN-QUEBEC

Plans Actively Pushed on Lievre River Power Projects

Maclaren-Quebec Co. is the latest company of its type to be publicly financed. This organization, which is fostered by the Maclaren interests, of Buckingham, P.Q., will own and operate two power plants on the Lievre River, between Montreal and Ottawa.

Ultimate plans of the company call for the development of two power sites, capable of producing 245,000 h.p., of which 115,000 h.p. will be developed under a head of 180 feet at the High Falls site, while 130,000 h.p. will be developed at the Masson site, under a head of 18.5 feet.

Programme Well Underway

Considerable progress has already been made in the actual construction of the power plants. At High Falls the company already has installed and is operating 86,000 h.p. of electrical energy. It is proposed to proceed immediately with the work on the Masson plant.

The power made available by Maclaren-Quebec will be sold to the Ontario Hydro-Electric Power Commission and the James MacLaren Company. The former has contracted for 125,000 h.p., the first block of which is to be taken by July 1, 1933, with increasing quantities each year, the full amount to be taken by November 1, 1936. The latter has contracted for 66,000 h.p., all of which is now being delivered from the High Falls plant. These two contracts dispose of 191,000 h.p. of the 216,000 h.p. now installed or in the course of installation.

Public investment interest in this project is limited to the first mortgage bonds, $12,000,000 of the $18,000,000 authorized being issued. All the common stock is owned by the MacLaren Power and Paper Co., which, in addition, controls the James MacLaren Co.

Capitalization—	Authorized	Outstanding
Common	250,000 shs.	50,000 shs.
No par value.		

Funded Debt—

1st mtge. bonds, authorized, $18,000,000; 1st mtge. series "A," 5½%, due 1961, issued $12,000,000.

CANADA ELECTRIC

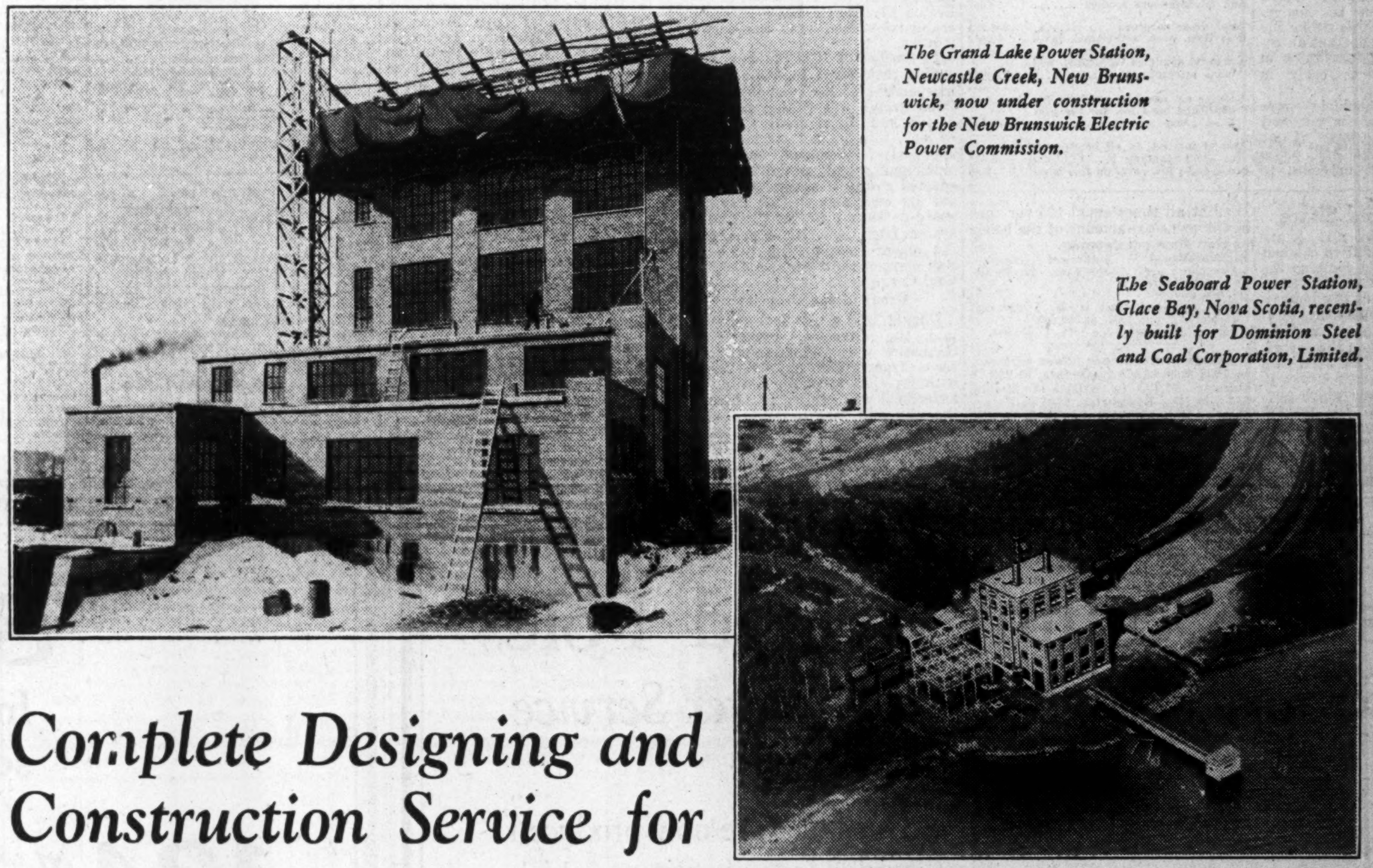
Increase Plant Capacity by Third During Year

Installation of a third unit of 10,000 h.p., has brought the total developed resources of Canada Electric Co. up to 30,000 h.p. This company is one of the few in Canada developing electric energy from fuel.

The plant operated by the company at Mattan, N.S., occupies a strategic position between other systems recently developed in New Brunswick and Nova Scotia. It appears as though this plant would become the balancing force between these other systems when they are ultimately hooked up together.

A year ago this spring operations of Canada Electric Co. were finally segregated from those of Maritime Coal Railway and Power Co., through the former company's acquisition by Central Station Power and Light Corporation, part of Utilities Power and Light System.

Though no financial statement was issued by the company, it was understood that operations have been on a favorable basis. Canada Electric and Power, either directly or through its subsidiary, Eastern Electric and Development Co., serves the light and power needs of seven municipalities in Nova Scotia and New Brunswick.



The Grand Lake Power Station, Newcastle Creek, New Brunswick, now under construction for the New Brunswick Electric Power Commission.

The Seaboard Power Station, Glace Bay, Nova Scotia, recently built for Dominion Steel and Coal Corporation, Limited.

Complete Designing and Construction Service for

PUBLIC UTILITIES AND INDUSTRIAL POWER

OUR long experience in public utility work includes the design and construction of Power Stations, Sub-stations, Transmission Lines, Gas Plants, and all the service buildings and miscellaneous work required in the operation of a large system.

In Canada today, new facilities — power developments, factory extensions, shops, railway terminals, etc. — are being projected.

The services of our company are available to Canadian Industry in carrying out this national building program. The breadth of our experience is indicated by a billion dollars' worth of work performed for 1,200 clients located in seven Canadian Provinces and thirteen foreign countries.

We have recently completed the design and construction of the Seaboard Power Station of the Dominion Steel and Coal Corporation Limited. We are now designing and building a steam power station at Grand Lake, New Brunswick, for the New Brunswick Electric Power Commission.

We will be glad to furnish full particulars of our service and methods on request.

UNITED ENGINEERS & CONSTRUCTORS
(CANADA) LIMITED

Dominion Square Building
MONTREAL

Canadian Bank of Commerce Building
TORONTO

UNITED ENGINEERS
& CONSTRUCTORS
(CANADA) LIMITED

Design and Construct
INDUSTRIAL PLANTS
STEAM POWER STATIONS
HYDRO-ELECTRIC DEVELOPMENTS
RAILROAD WORK
GAS PLANTS
Build
APARTMENTS
HOTELS
OFFICE AND MONUMENTAL BUILDINGS

MAXIMUM RETURN TO CLIENTS PER DOLLAR INVESTED

NOVA SCOTIA LIGHT & POWER

Secure Control of Avon River Power and Consolidates Position of Leading Provincial Utility—Steady Progress Recorded

Nova Scotia Light and Power Co. continues to expand and consolidate its system, the largest in the province. Last year the company acquired control of Avon River Power Co. and an interconnection of the two systems was effected, giving Nova Scotia Light and Power an additional source from which to supply increasing power requirements of Halifax district.

Water conditions in Nova Scotia in the fall of 1930 were poor, a factor which hampered operations of the power company for a month or two. Higher operating expenses were caused through continuous operation of the steam plant in Halifax, an occurrence which should largely be eliminated in the future by the company's interconnection with Avon River Power.

Dicker For System

Another step in the company's expansion was taken when Nova Scotia Light and Power made an offer for the distribution system of Cape Breton Electric Co. The latter company is in difficulties and bond interest is in default. Ratepayers of Sydney, who are presently supplied by Cape Breton Electric, have signified their willingness to accept power from Nova Scotia Light.

The original offer for Cape Breton Electric was not accepted and a resumption of negotiations may be anticipated. Nova Scotia Light has no properties in Cape Breton at present and it is likely that power would be purchased from the seaboard plant of Dominion Steel and Coal Corp. in the event of the Cape Breton Electric Co. distribution system being acquired.

Promote Power Use

Use of electric energy in territory presently served by the company is steadily increasing, partly because of the normal growth of industrial activity and partly because of the effective types of promotional rates in operation, by which increased consumption is encouraged. In keeping with this policy the company effected a substantial reduction in light and power rates in Halifax and Dartmouth early in 1930.

During 1930 shareholders were offered 5,000 shares of six per cent preferred stock on the basis of one new share for every eight held, while the offer was further extended to customers of the company and its associated companies. In addition to this, additional bonds to the extent of $845,500 were offered in October.

Earnings have shown a steady increase in recent years, reflecting the general widening in the scope of the company's operations. The largest city served is Halifax, which the company supplies with electric energy, tramway transportation and gas.

Capitalization—	Authorized	Outstanding
Common, $4 ...... No par value.	40,000 shs.	34,623 shs.
Preferred, 6% .... Par $100.	$2,500,000	$1,250,000
Funded Debt—		
First mtge. 5% series "A" 30-yr. bonds, due 1958		*$4,310,500

*After deduction of $35,000 bonds retired through operation of the sinking fund.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earn. from oper.	1,819,322	1,642,385
Less: Oper. exp.	1,106,226	974,940
Net oper. income	713,096	667,445
Add: Misc. income	35,548	20,642
Net earnings	745,644	688,087
Less: Depreciation	175,000	175,000
Interest	178,434	193,767
Taxes	149,181	137,247
Net profit	243,029	182,073
Less appropriations:		
Pref. dividends	45,000	22,500
Ord. dividends	34,523	......
Surplus for year	163,606	159,573
Less: Revaluations ...	......	1,070
Add: Prev. surplus ...	3,598	‡174,476
Adjustments	......	19,570
Bal. carried forward ...	167,104	3,598

‡Deficit.

	1929	1928
Times Bond Interest Earned:		
After deprec.	3.20	2.65
Earnings per Share and Dividend Record:		
Preference: Earned ..	$32.40	24.28
Paid	6.00	3.00
Common: Earned ...	5.74	4.62
Paid	1.00	...

EARNINGS ACCOUNT
6 Months Ended June 30, 1930

Gross earnings from oper.	$948,536
Less operating expenses	586,309
Operating earnings	362,227
Add miscellaneous income	34,644
Total gross earnings	396,871
Less Dom. prov. and munic. taxes	72,963
Net earn. available for deprec. and bond interest	329,908
Average net earnings available for depr. and bond int. for the past three years	530,588
Annual interest on all bonds now to be outstanding	215,515
Times bond int. earn. on this basis	2.46

Hydro Bond and Share

Hydro-Electric Bond and Share Corp. was formed in 1927 to conduct a business which would combine the features of an investment trust company and a public utility holding company. To date no financial statement covering operations has been published, but interest on the securities held by the public has been paid regularly.

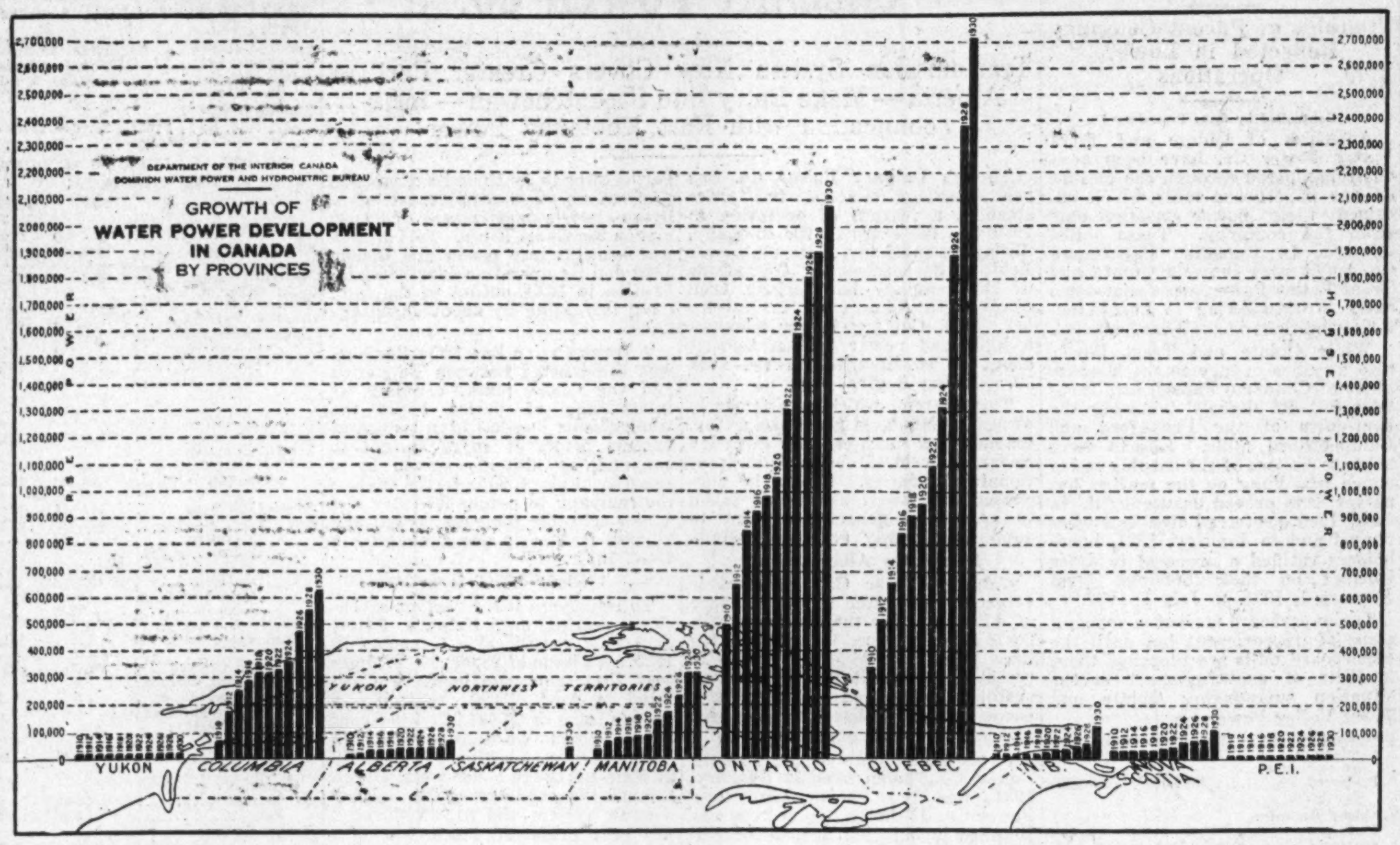
One of the restrictions which govern operations is that the market value of all assets, cash and securities pledged with the company's trustee shall at all times equal 125 per cent of the principal amount of the bonds at that time outstanding.

Capitalization—	Authorized	Issued
Common .... No par value.	600,000 shs.	200,000 shs.

Funded Debt—
First collateral trust bonds, 5 per cent series "A," due 1957, $3,500,000.
Income debentures, due 1967, $2,000,000.

Average revenue per power customer in 1928 was $2,365 in Quebec, $1,720 in Ontario. $1,330 in British Columbia, $894, in New Brunswick, $765 in Prince Edward Island, $587 in Nova Scotia, $579 in Manitoba, $428 in Alberta and $411 in Saskatchewan.

Saskatchewan Joins Water Power-Producing Provinces



The highlight of Canadian water power developments last year, not in size but in interest, was the bringing into production of Saskatchewan's first water power plant. In the last decade all the provinces have greatly extended their power producing facilities, as is evidenced by the above diagrammatic chart. Ontario and Quebec still lead in volume, but the rate of growth in the other provinces has been considerably accentuated with the improvement in generating equipment, transmission and distribution lines. Over the next five years, it is confidently expected that the turbine installation in the Dominion will have passed the 8,000,000 h.p. mark, making Canada one of the greatest water power producers in the world.

CAPE BRETON ELEC.

Bondholders Seek Foreclosure on Island Property

Due to general dissatisfaction in respect to rates, the position of Cape Breton Electric Co. has been considerably weakened over the past 12 months.

In the fall of 1929 the civic authorities took steps to make Sydney independent of the company. While Cape Breton was willing to sell its power and distribution system to Sydney, this did not meet with the approval of the council. Instead the municipality had special legislation enacted giving it authority to carry out its own plans. The city proposed to take over the distribution system from Cape Breton and secure the power supply from the Glace Bay plant of the Dominion Steel and Coal Corp.

Group Seeks Franchise

During 1930 a new factor entered into the situation, when Royal Securities Corp., Montreal, applied for a franchise to supply the city with its electric power needs. An agreement was entered into between the city and that organization. It appears that any operations in the district will be carried on by Royal Securities through Nova Scotia Light and Power.

Negotiations have been entered into between representatives of the Royal Securities and Cape Breton Electric in regard to the purchase of all or part of that company's system. To date no agreement has been reached.

Position is Unsatisfactory

The position of Cape Breton at present is unsatisfactory. Last year the bondholders formed a protective committee. At the end of 1929 there was outstanding $1,096,000 of 5 per cent first mortgage bonds of Cape Breton Electric, while there was also an issue of $113,000 5 per cent first mortgages of Sydney and Glace Bay Railway Co., a wholly owned subsidiary. Payment of principal and interest on the latter are guaranteed by the parent company. Both of these issues mature in 1932. Interest was passed in July last, but after 60 days payment was made. The company had no working capital at the end of 1929, current liabilities exceeding current asets by $75.178.

Some of the company's assets have been liquidated. A tram line between North Sydney and Sydney Mines has been discontinued, while the Sydney-North Sydney ferry boat service will be discontinued at the first favorable opportunity.

It is difficult to determine at this time how the bondholders will fare. Unless negotiations with Royal Securities take a favorable turn, it is likely that the bondholders will have to take a loss. Recently the bondholders asked for a foreclosure on the property, which effectively holds up any agreement that might have been made with Nova Scotia Light and Power Co.

Capitalization—	Authorized	Outstanding
Common	$1,250,000	$1,125,000
Preferred 6% ..... Par $100.	500,000	314,000

Dividend on pref. passed May 1, 1930.

Funded Debt—
First mortgage 5 per cent, due 1932, $1,096,000; Sydney & Glace Bay Railway Co., 5 per cent, due 1932, $113,000; $220,000 of this issue owned by Cape Breton Electric.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earnings:		
Light and power	401,299	365,271
Tramway	263,044	274,307
Ferry	19,724	27,961
Non-operating	333	309
Total gross earnings ..	684,400	667,848
Less expenses:		
Operations	401,592	406,273
Maintenance	91,285	90,873
Taxes	32,085	30,418
Net earnings	159,438	140,284
Less: Retire. reserve ..	45,000	40,000
Interest charges	69,063	68,420
Net profits	45,375	31,864
Less appropriations:		
Pref. Dividends	18,840	18,840
Charges to res. and surplus	5,692	62
Surplus for year	20,843	12,962
Add: Prev. surplus	257,629	244,667
Bal. carried forward ..	278,472	257,629
Times All Interest Earned:		
After retire. reserve..	1.66	1.47
Earnings per Share and Dividend Record:		
Preferred:		
Earned	$14.45	$10.15
Paid	6.00	6.00
Common:		
Earned	2.36	1.16
None paid.		

EARNINGS
Twelve Months Ended Sept. 30

	1930 $	1929 $	Decrease $
Gross earn.	647,656	682,835	35,279
Less: Oper. exp. ..	390,819	397,334	6,515
Maintenance	87,147	90,452	3,305
Taxes	29,199	33,215	4,016
Net op. rev.	140,391	161,834	21,443

Cities Heating Co.

Cities Heating Co. is a London, (Ont.), enterprise which distributes steam heat in a considerable proportion of the business district of that city. The company has been in existence for a number of years and, while a balance sheet is not published, it is understood that progress has been consistent.

Public investment interest is in the 6 per cent first mortgage bonds, of which $125,000 are outstanding.

Capitalization—	Authorized	Issued
Preferred 7% cum. .. Par $100.	$100,000	$100,000
Common .... No par value.	3,000 shs.	3,000 shs.

Funded Debt—
1st mtge. 6 per cent bonds, due 1948, issued $125,000.

WEST KOOTENAY POWER CO.

Big Western Operator Has Extensive Plans Under Way for Development of More Water Power—Carries Out New Financing

Subsidiary of Consolidated Mining and Smelting Co.

West Kootenay Power Co., controlled by Consolidated Mining & Smelting Co. of Canada has built up a strong financial position over several years past and is generally regarded as one of the soundest utility organizations in the West.

While operations of the company are primarily concerned with supplying the parent company with power for its mining operations, the company also supplies power to Granby Consolidated Mining Co. and directly or through subsidiaries, a number of municipalities in Southern British Columbia, including Trail, Rossland, Princeton, Grand Forks, Penticton, Kelowna, Summerland and other communities.

New Work Underway

At the present time, West Kootenay has underway or in contemplation a development programme involving an outlay of several millions of dollars. The company now owns and operates three hydro-electric plants on the Kootenay and is building a fourth, on completion of which its total installed capacity will be 219,000 h.p.

More important, however, is the fact that the company has been granted rights to develop power on the Pend O'Reille River and elsewhere in British Columbia amounting to more than 300,000 h.p.

It is understood that when plans are approved, the company will proceed actively with the development of the Pend O'Reille site. With this development complete and in operation, West Kootenay will be one of the largest hydro-electric producers in the Dominion.

Building Another Plant

As far as the immediate future is concerned, the company plans to push the work on a new power plant on the Kootenay River, two miles above the present upper Bonnington plant, to be completed late this year or early in 1932. Engineering difficulties made it possible that the Adams River plant could not be brought into production until perhaps the summer of 1932. As far as the Pend O'Reille project is concerned, it will require several years for completion.

Though the company's financial statement for 1930 wil not be available until the end of this month, an interim statement showed net earnings for the first six months of 1930, after depreciation of taxes, of $703,620. This compares with $766,488 in the first half of 1929.

Build Up Reserves

Though no dividends have been paid on the company's common stock since 1922, earnings are such that the management would be justified in making a distribution. In the past five years, for example, earnings on the common have averaged about $12 a share per annum. The management has pursued the policy of ploughing back earnings into the company and building up strong reserves.

Capitalization—	Authorized	Outstanding
Common	$14,500,000	$6,112,000
Preferred 7% .... (Par $100).	500,000	500,000

Common—Entire common stock owned by Consolidated Mining & Smelting Co. of Canada, Ltd., acquired in 1916 on the basis of $75 par value of Consolidated Mining Co. stock for $100 West Kootenay stock.

Funded Debt—	Authorized	Outstanding
First mtge., 6% due 1940	$ 1,500,000	$ 823,927
General mtge. sinking fund gold, 6%, due 1943		1,456,500
Cascade Water, Power & Light Co. bonds, 4½%, due 1940		114,500

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earnings	2,309,650	2,133,526
Less: Oper. exp.	622,961	536,406
Oper. earn.	1,686,689	1,597,120
Less reserves:		
Other int.	......	16,594
Bond int.	143,928	152,494
Deprec.	725,218	507,511
Sinking fund	123,180	112,491
Amounts w/o	1,535	209
Add: Tax adj.	......	26,667
Net profits	692,833	834,488
Less appropriations:		
Pref. dividend	35,000	35,000
Surplus for year	657,833	799,488
Surp. fr. prev. years .	1,844,907	1,045,419
Surp. to bal. sheet ...	2,502,740	1,844,907
Times Bond Int. Earn.†	6.68	7.03
Dividend Record and Earnings per Share:		
Preferred: Earned .	138.57	$166.89
Paid	7.00	7.00
Common: Earned ..	10.76	13.08
Paid	..	..

‡After deducting depreciation and interest other than bond interest.

CONSOL. UTILITIES

Takes Over Control of Municipal Service Corp.

Municipal Service Corp. ran into financial difficulties in 1929 necessitating a complete reorganization of its capital structure in which the preferred and common shares were entirely wiped out. The name of the company has also been changed to Consolidated Utilities, Limited.

Municipal Service Corp. was formed originally to acquire several utility properties in Quebec and one in Saranac Lake, N.Y. Since the reorganization, several properties have been disposed of and holdings now comprise Amos Water and Power Co., a water works system at Val Morin, a grain and lumber business at Huntingdon, and the Mountain Gas Co. at Saranac Lake.

Of these the Mountain Gas Co. is considered the most important. An extension to mains was made last fall and it is thought that the organization will prove a revenue producer. It is intended to sell the Val Morin property in the future when a suitable price can be obtained.

Capitalization—	Authorized
Class "A"	8,000 shs.
Common .... No par value.	20,000 shs.

Funded Debt—
1st mortgage bonds, $200,000.

Install Seguin Treated Poles
for Greater Strength and Longer Service

Our poles are now produced under specifications which are more exacting than ever before. Careful grading and inspection assure the kind of pole that will give unfailing service for the maximum number of years and low cost per annum for your entire line.

Preserved by Creosote to Stand Throughout the Years

Build your telephone or electrical lines once—to stand throughout the years using SEGUIN POLES. They are thoroughly penetrated with creosote from one and a half feet above the ground line to the butt end.

Thorough penetration with Seguin modern equipment protects the poles on your lines from decay and the ravages of insects.

J. J. SEGUIN COMPANY LIMITED
Office and Plant: St. Lambert, Montreal
Treating Plants
St. Lambert, Montreal Minneapolis, Minn.
Phones:
Plateau 2362
St. Lambert 1000
Mail Address:
P. O. Box 2530
Montreal
"A Coast To Coast Organization"

86% INCREASE
In the number of consumers served during 1930 over 1928

134% INCREASE
In the number of K. W. H. generated during 1930 over 1928

Such is the rapid expansion and progress which Canadian Utilities Limited have accomplished in Alberta and Saskatchewan where they now serve 48 communities with Electric Light and Power. A record which also involves the modernization of each plant as acquired and a reduction in rates to the consumers it served, as well as the maintenance of a 24-hour service.

REMARKABLE GROWTH IS ALSO SHOWN BY AFFILIATED POWER UTILITIES

	Consumers Served 1928	Consumers Served 1930	K.W.H. Generated 1928	K.W.H. Generated 1930	Communities Served 1928	Communities Served 1930
Union Power Co., Limited	4,023	4,608	6,127,010	9,788,500	23	33
Duncan Utilities Limited	742	884	533,696	788,400	2	2
Nanaimo Electric Light, Power & Heating Co., Limited	2,707	2,895	2,531,900	3,181,070	5	8

Canadian Utilities Limited
Union Power Co., Limited Duncan Utilities Limited
Nanaimo Electric Light, Power & Heating Co., Limited

BELL TELEPHONE CO.

Heavy Outlay on New Lines and Equipment to Meet Growing Traffic—Earning Power in 1930 Below Dividend Needs, But Condition Regarded as Temporary

Business recession throughout Quebec and Ontario has made itself felt on the operations of the Bell Telephone Co. of Canada through a lessening of anticipated revenue.

In recent years, the demand for telephone service has necessitated the expenditure of many millions of dollars toward providing additional equipment to handle the business, especially tool traffic. This expenditure was naturally made in anticipation of larger revenue. While profits for 1930 were larger than in the preceding year, the gain was not commensurate with the increased capital outlay.

This is a situation which, of course, will correct itself in a short time. It is essential in the conduct of a telephone business that facilities should always be ahead of immediate requirements. This in turn involves an outlay on new buildings, switchboard equipment, toll lines, etc., upon which the company does not immediately derive an adequate return.

Increase Toll Traffic

In the past few years, Bell Telephone has been concentrating its capital expenditure toward increasing the usefulness and efficiency of its toll lines. The telephone has come to play a more and more important part in daily business life, so that in order to handle the increasing volume of traffic, heavy expenditures have had to be undertaken.

Heavy Building Programme

During the last five years, Bell Telephone has spent on additions to plant and replacements, $116,800,000 or an average of $23,300,000 a year. Of the outlay plan for this year, the company purposes in spending $5,700,000 on central office equipment; $2,685,000 on long distance lines; $4,260,000 on exchange lines; $1,000,000 on land and buildings, and $5,850,000 on subscribers equipment.

During the last few years the company's long distance lines have been, in a large measure, re-built, and a large proportion of cable erected to replace and supplement open wired circuits. Repeater equipment has been installed at many points and "carrier" apparatus added to provide new channels beyond those made available by the Siscoe circuit.

At present the company has under way a complete reconstruction of toll, switchboards and terminal apparatus at Montreal and Toronto.

In the five leading cities of Quebec and Ontario—Montreal, Toronto. Hamilton, Quebec and Windsor, there continues installation of dial switching apparatus, in some cases, in entirely new buildings.

Capital Charges Higher

During the past year, there were a number of changes in the capitalization of the company. Common stock outstanding now totals $74,623,000. It will be recalled that in 1929 the company offered shareholders 120,787 shares of new stock, which became fully paid up during the first half of the year.

Two bond issues were placed on the market last year, increasing the funded debt to $70,824,899.

The total amount of new money realized by the company from its financing operations was $21,064,959. Out of this, bank loans, which at the end of 1929 amounted to $6,100,000 were repaid, and the balance was used to finance new construction in 1930.

At the end of the year, the company's bank loans totalled only $800,000. In view of the heavy capital outlay planned for this year, it is expected that further financing will be undertaken.

Capitalization—	Authorized	Outstanding
Common 8% ...	$150,000,000	$74,623,000
Par $100.		

Approximately 32 per cent of the company's stock is owned by the American Telephone and Telegraph Co.

Funded Debt —

5 per cent first mortgage bonds, series "A," due March 1, 1955, $30,000,000.

5 per cent first mortgage, series "B," due 1957, outstanding $30,000,000.

6 per cent first mortgage, series "C," due 1960, $7,500,000.

Notes sold to pension fund trustee, $3,324,900.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Common	151⅞	141	159½	140	183	147

*To March 2.

EASTERN TOWNSHIPS TELEPHONE
(Controlled by Bell Telephone Co.)

Capitalization—	Authorized
Common	20,000 shs. n.p.v.

Supplementary letters patent were granted to the company authorizing the change in the company's common shares from $10 par value to no par value. Also that all by-laws, rights, priorities, etc., in connection with the 5,800 preference shares of the company shall be rescinded, and making in consequence the authorized capitalization of the company 20,000 common shares of no par value, both preference and common shareholders receiving one new common share for each preference or common share held.

Funded Debt—

First mtge. 6 per cent bonds, due 1932, $115,300.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross revenue	99,685	92,432
Less: Oper. exp.	49,440	46,277
Mainten. exp.	13,817	11,577
Depreciation	14,121	12,700
Taxes	1,406	1,365
Net earnings	20,901	20,513
Less: Interest	7,550	7,016
Net profit	13,351	13,497
Less appropriations:		
Pref. divds.	3,475	3,475
Com. divids.	1,306	1,297
Surplus for year	8,570	8,725
Add: Prev. surplus	10,263	1,538
Bal. carr. forward	18,833	10,263
Earnings per Share and Dividend Record:		
Preferred:		
Earned	$2.30	$2.33
Paid	.60	.60
Common:		
Earned	4.53	4.64
Paid	.60	.60

FARMERS' TELEPHONE CO.
(Controlled by Bell Telephone Co.)

Capitalization—	Outstanding
Capital stock	$99,300

Funded Debt—
None.

INCOME AND SURPLUS ACCOUNT

	1930	1929
Gross revenue	$36,875	$36,449
Less: Expenses	17,108	17,486
Cur. maintenance	7,866	7,320
Depreciation	5,012	4,816
Taxes	354	279
Net earnings	6,535	6,557
Less: Interest	220	47
Balance	6,315	6,510
Less: Dividends	5,958	5,958
Surplus	357	552
Br't. forward	*10,427	9,639
Carried forward	$10,784	$10,191

*Adjusted.

BELL TELEPHONE COMPANY
INCOME AND SURPLUS ACCOUNT, YEARS ENDED DECEMBER 31

	1930 $	1929 $	1928 $	1927 $	1926 $	1925 $
Operating revenue........	41,360,925	40,031,358	36,510,731	33,210,645	28,460,923	26,168,977
Less: Oper. expenses‡....	31,050,110	30,113,272	27,152,591	25,180,512	23,486,142	20,271,030
Net operating revenue...	10,310,815	9,918,086	9,358,140	8,030,133	4,974,781	5,897,947
Less: Uncollect. rev......	279,463	185,080	158,698	133,079	143,075	114,686
Taxes assign. to oper...	1,768,100	1,665,000	1,525,100	1,377,300	1,084,000	1,091,056
Operating income.........	8,263,252	8 068,006	7,674,342	6,519,754	3,747,706	4,692,205
Add: Non- oper. rev.......	1,348,859	919,637	714,964	671,004	633,877	787,903
Gross income.............	9,607,111	8,987,643	8,389,306	7,190,758	4,381,583	5,480,108
Less: Rent and misc......	377,456	295,592	230,601	158,871	123,737	114,089
	9,229,655	8,692,051	8,158,705	7,031,887	4,257,846	5,366,019
Less: Other interest.....	583,940	504,570	562,020	434,573	291,970	172,369
Bond interest......	3,161,795	2,599,386	2,000,000	1,784,769	1,500,000	1,313,196
Debt disc. & expense	67,592	60,026	......	......	......	......
Balance net income......	5,416,328	5,528,069	5,596,685	4,812,545	2,465,876	3,880,454
Less appropriations:						
Dividends............	5,681,072	4,859,943	4,414,942	3,972,677	3,906,802	3,889,166
Employees' benefit fund	......	......	250,000	250,000	......	......
Bal. for corporate surp...	*264,744	668,126	931,743	589,868	*1,440,926	*8,712

* Deficit. ‡ Includes depreciation.

	1930	1929	1928	1927	1926	1925
Times Bond Interest Earned:†............	2.73	3.26	4.08	3.8	2.7	4.0
Earnings Per Share and Divd. Record:						
Earned.................	$7.26	$9.01	$9.28	$9.69	$5.05	$7.98
Paid...................	8.00	8.00	8.00	8.00	8.00	8.00

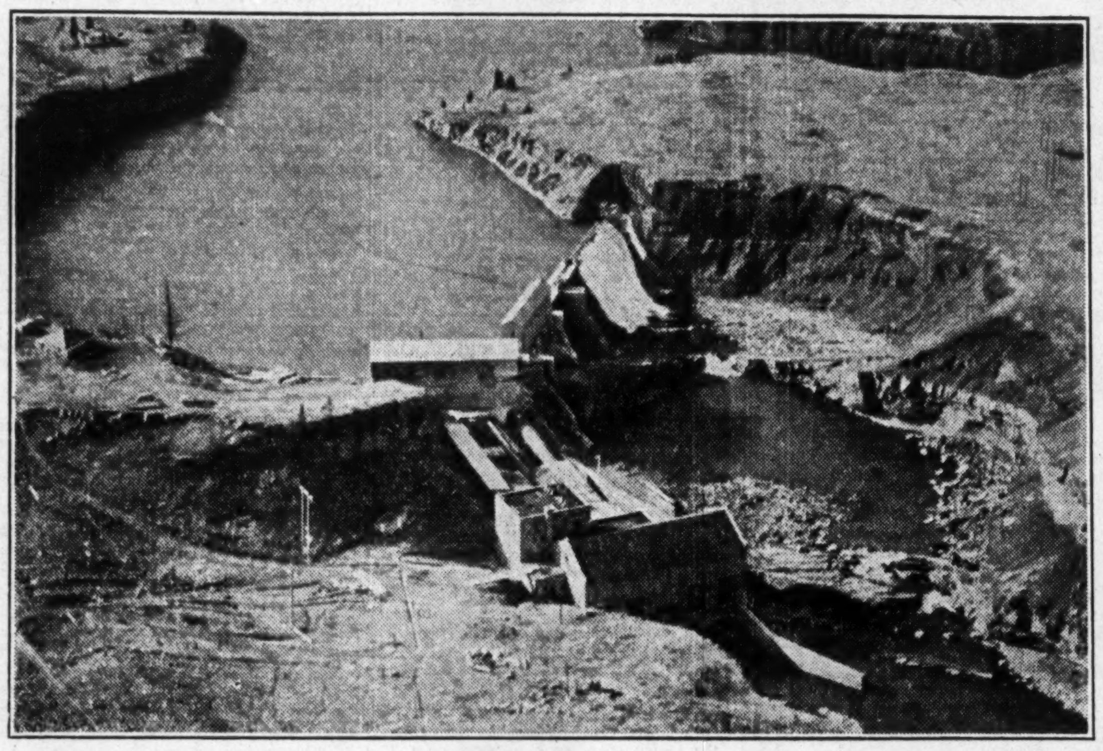
† Based on gross income after deducting "other interest."

Average revenue received by central electric stations in 1928 per kw.h. generated was 6.9 mills as against 7.2 mills in 1927. Quebec stations showed the lowest average of only 4.7 mills. Manitoba stations were next with 5.6 mills and Ontario stations third with 7.9 mills.

Two Companies Don't Use "Limited"

Bell Telephone Co. of Canada and Consumers' Gas Co. of Toronto are two liability companies which are given special permission to omit the word "limited" after their names.

Albertan Stream Harnessed to Supply Province



Over the last three or four years, Calgary Power Co. has been particularly active in developing its power resources and extending its transmission and power lines. At present the company is serving, either wholesale or retail, the bulk of the province's requirements. Most of this development has taken place recently, which has necessitated the construction of another plant at the Ghost and Radnor site. This photograph shows the Horse Shoe Falls plant.

N. B. TELEPHONE

Steady Gain in Stations Reported in Past Year

Telephone companies throughout the Dominion have experienced, in the past few years, a marked increase in the demand for their services. In this respect, New Brunswick Telephone Co. has proved no exception.

This company now has between 30,000 and 35,000 stations in use, of which about half are resident and rural and the remainder business telephones.

The management has shown aggressiveness in coping with the demand for service. New toll lines have been erected, exchanged opened and enlarged, new equipment installed, while a carrier system has been opened up between Saint John and Halifax and Saint John and Montreal. Moreover the company is changing over its system from the manual to the dial. At the present time this work is confined to Saint John, but other districts will receive this type of service as soon as it is possible to bring about the interchange.

Capital Outlay Heavy

On account of this work and to provide for the normal increase in toll-line facilities and new stations, the company estimates that an expenditure of around $3,000,000 will be required during the next three years.

The rapid growth of the company and the necessity for making heavy capital expenditures, has not been without effect upon the company's earning power. During 1929, the last year for which a complete financial statement is available, net earnings of the company were larger than in the preceding year, but were some $17,877 short of taking care of full dividend requirements. This condition will be eliminated as the company begins to receive full returns on the capital outlay of the last two years.

Issue More Stock

The increase in financial needs of the company has resulted in the issue of additional stock. Last October shareholders were given the right to subscribe for 50,375 shares of stock of the par value of $10 each in the ratio of one new share for every ten shares held. Issuance of this stock increased the amount of capital outstanding from $4,758,230 to $5,261,980.

Proceeds from the sale of stock were used to pay off bank borrowings made necessary by capital expenditures on plants.

Capitalization—	Authorized	Outstanding
Common, 8%	$6,000,000	$5,261,980
Par $10.		

Funded Debt—
None.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earn.	1,413,304	1,313,641
Less: Oper. expenses ..	1,094,936	1,000,766
	318,368	312,939
Add: Other income	......	64
	318,368	312,939
Less appropriations:		
Dividends	336,245	284,924
Surplus for year	†17,877	28,015
Add: Prev. surplus	171,097	143,082
Bal. carr. forward	153,220	171,097

†Deficit.

Earnings & Payments per Share:		
Earned	.73	.88
Paid	.80	.80

MARITIME TEL.

Capital Outlay Heavy in Order to Meet Demand

Unsubstantiated rumors of a change in control have been circulated about Maritime Telephone and Telegraph Co. These reports indicate a quickening of interest in this company, which, over the past three years, has steadily expanded its operations.

Favorable business conditions in Nova Scotia and Prince Edward Island over the last eighteen months have not been without their effect upon the demand for better and more extensive communication services. Consequently the company has had to lengthen its pole-line mileage, install new stations, equip certain exchanges with dial equipment, and generally make heavy capital expenditures in all departments.

Add to Equipment

Last year the company spent over $2,000,000 on capital account and it is the intention of the management to carry out a programme of similar size in 1931. The programme this year includes an outlay of $500,000 on new toll equipment. The work of switching over the telephone from the manual to the dial system is continuing steadily and by next July, it is hoped to have the Halifax system wholly dial.

Operations of the company in 1930 were the best ever experienced. Though the annual report for 1930 is not yet available, interim figures indicate the progress made by the company.

Net Station Gain

In the first ten months of last year, the net gain in stations installed was in excess of any year's since 1920. Total revenue during the same period, moreover, was the greatest in history, while, figures for the full year should show a healthy increase over those recorded in 1929.

In respect to its financial set-up, the company has steadily increased the amount of common stock outstanding, the additional funds being required to take care of plant extensions and improvements.

Capitalization—	Authorized	Outstanding
Preferred, 7%	$7,500,000	$1,500,000
Common, 8%	....	2,660,220
Par $10.		

Funded Debt—

First mortgage 6 per cent bonds, due 1941, outstanding $1,500,000.

Refunding bonds, series "A," 5 per cent, due 1956, outstanding, $1,000,000.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Income from oper. ...	1,887,228	1,806,416
Less: Expenses	890,889	879,377
Depreciation	389,475	380,554
Other deduct.	110,518	95,680
Net earn. from op. ...	496,346	460,805
Add other income	11,387	46,037
Total net earn.	507,733	496,842
Less:		
Rent & misc.	14,166	9,593
Bond interest	140,000	140,000
Disc. on secs.	10,455	10,146
Res. for inc. tax ...	28,774	26,976
Net profit	314,338	310,127
Less appropriations:		
Dividends	312,659	257,000
Donat. & con.	2,000	1,800
Surplus for year	*321	51,327
Add: Prev. surp.	251,143	199,816
Adjustments	32	......
Bal. car. forward	250,354	251,143

*Deficit.

	1930	1929
Times Interest Earned	3.63	3.54
Earnings per Share and Dividend Record:		
7% pref.: Earned ...	$2.10	$2.07
Paid	0.70	0.70
Common: Earned....	0.79	0.84
Paid	0.80	0.80

New Westminster Port Grows

The Port of New Westminster, which in recent years has become important in deep sea traffic, showed a gain in its import and export trade last year. Among other things, New Westminster is now getting the bulk of the metal trade, the 1930 shipments from this port amounting to 105,039 tons as compared with Vancouver's 70,452 tons. In 1929 Vancouver handled 110,788 tons and New Westminster 67,974 tons.

DULUTH-SUPERIOR

Receivership for Traction Company Not Likely to be Lifted Soon

Duluth Superior Traction Co. is one of those street-railway companies which have fallen on evil days. At present the company is being operated under a receiver because the Duluth Street Railway Co., a subsidiary, was unable to refund about $3,300,000 of first and general mortgage bonds which fell due on May 1, 1930.

Although fares have been increased frequently, gross revenues have not kept up. The management has made a considerable effort to reduce operating expenses, but the net has been far from satisfactory.

The cities of Duluth and Superior are not so large that parking facilities are not available in the business districts, with the result that the private automobile is a serious competitor. The cities are attenuated along the waterfront, so that the average haul for a single fare is greater than in most cities several times as large.

Just what the future holds for this company is not apparent. It is possible that the receivership may be lifted if the present holders of the defaulted bonds can be induced to accept new bonds in exchange, but no proposal is likely to be made until the management and the bondholders' committee are satisfied that the property can consistently meet its fixed charges.

Gross earnings are understood to be about 25 per cent under those of last year; this condition is partly a reflection of business conditions and partly indicative of the increasing use of the private automobile. The company's relations with the public authorities have not been particularly amicable.

The hope for the common shareholders, of whom there are many in Canada, lies in the possibility of a deal with another company. Canadian interest in the bonds is negligible.

Capitalization—	Authorized	Outstanding
Pref. 4% cum.	$1,500,000	$1,500,000
Common	3,500,000	3,500,000
Funded Debt*—		
Bonds, Duluth St. Ry. 6% first mtge. due 1930.	2,500,000	2,500,000
Bonds, Duluth St. Ry. 5% gen. mtge. due 1930	2,500,000	807,000

*Both issues, principal and interest defaulted May 1, 1930

CONS INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Total operating revenue	1,780,428	1,873,330
Total oper. expenses ..	1,476,499	1,535,170
Net revenue from oper.	303,929	338,160
Taxes assign. to oper.	147,770	153,561
Operating income	156,159	184,599
Total non-oper. income	25,580	33,794
Gross income	181,739	218,393
Deductions from gross inc.:		
Int. on funded debt ..	165,767	167,186
Int. on unfunded debt	2,622	1,390
Misc. debits	594	595
Total deduc. from gr. income	168,983	169,171
Net income trans. to profit and loss acct.	12,766	49,222
Less appropriations:		
Dividends:		
Duluth St. Rly. Co., pref.	12,145	26,078
Dul.-Sup. Trac., pref.	30,000	60,000
Dul.-Sup. Trac., com.	......	......
Surplus for year	*29,389	*36,856
Add: Previous surplus	525,976	593,102
Bond discount	2,207	2,198
Other adjustments .	277	5,848
Less: Adjustments	7,377	38,816
Bal. carried forward ..	491,694	525,976

*Deficit.

	1929	1928
Times Interest Earned	1.10	1.31
Earnings per Share and Dividend Record:		
Duluth Street Ry. Co., pref.:		
Earned	$3.71	$13.68
Paid	3.50	7.00
Duluth Superior Traction Co.:		
Pref., earned	0.04	1.54
Paid	2.00	4.00
Common, earned	..	..
Paid	..	..

At the beginning of 1929 there were 601 central electric stations in Canada, being distributed as follows: Prince Edward Island 11, Nova Scotia 46, New Brunswick 22, Quebec 98, Ontario 130, Manitoba 28, Saskatchewan 153, Alberta 55, British Columbia 56, Yukon 2.

Invest in Listed
Public Utility Securities

OSWALD & DRINKWATER
MEMBERS { Montreal Stock Exchange
Montreal Curb Market
INSURANCE EXCHANGE BUILDING
275 Notre Dame St. W., Montreal, P.Q.
Harbour 6101*
Branch Office: Knowlton, P.Q.
Also a Branch Office to be opened April 1st
at Granby, P.Q., corner of Main and Court Sts.

EMPIRE METERS
For All Liquids
—Hot or Cold—
For All Sizes of Pipe Lines
For Industrial, Municipal and
Domestic Needs
Conserves the water supply at the storage reservoirs, measures the gallonage of water used by each consumer. Meters gasoline and oil.
NATIONAL METER COMPANY OF CANADA, LIMITED
Head Office and Factory:
24 Front St. West, National Meter Building, Toronto
Branches: Winnipeg, Man. Vancouver, B.C. London, England

Serving Nova Scotia

NOVA SCOTIA LIGHT & POWER COMPANY, LIMITED, supplies electricity, transportation and gas to the citizens of the capital city, Halifax. Through subsidiary companies it is playing a leading part in the electrical development of the Province, and is now operating in eight counties.

Under the management and control of Nova Scotians, with a sound financial structure, this company is contributing in a material way to the development and prosperity of the territory it serves.

Benefits resulting from increased earnings and economical operations are being shared by both the company and its customers.

Dependable
Progressive
Service

Nova Scotia Light and Power
Company, Limited
HALIFAX, N.S.

Electric Light and Power
Street Railway
Gas Heating and Lighting

A reliable, old established company giving assured service at the lowest rates

Our engineering service is always at the disposal of our patrons or prospective patrons, and we shall be very pleased to furnish information or assistance.

NEW BRUNSWICK POWER COMPANY
SAINT JOHN, NEW BRUNSWICK

OTTAWA POWER

Competes Successfully With Publicly-Owned Utility

Ottawa Light, Heat & Power Co. continues to compete successfully, through its subsidiaries, with the city-owned system. Ottawa Power is really a holding company, providing power and light in Ottawa, Hull and surrounding districts through the Ottawa Electric Co. and Gas in the same area through the Ottawa Gas Co.

Ottawa is the largest Ontario city where competition still exists between public Hydro and a private organization. At various times over the past two years reports have been circulated to the effect that the city would absorb the company. Though there is no indication of any such step in the immediate future, there is reason to expect that eventually the company will sell out to the public Commission on its own terms.

Ottaw Electric Pays

Ottawa Electric Co. has made headway against the operations of the publicly owned commission, even though the latter always got street-lighting contracts because it was a municipal enterprise. The company's cheap sources of power, efficient management and enterprising policies enabled it to compete and to make enough money to pay the dividends in every year.

Practically all the power requirements of Ottawa Electric are generated at the Chaudiere Falls at Ottawa. The company generates, or purchases, a total of 36,300 h.p. or more.

While the demand for electric stoves has had its effect upon Ottawa Gas Co., operations of that concern have been of a satisfactory nature. This organization has a perpetual franchise to carry on the gas business in Ottawa and Hull and, at present, has over 18,000 customers.

In common with most other well-organized utility companies, Ottawa Light, Heat and Power has an excellent dividend record. Payments have been made on the common without interruption since its formation in 1906, the present rate of 6 per cent having been established in 1916.

Capitalization—	Authorized	Outstanding
Common 6%	$10,000,000	$3,500,000
Preferred 6½% ..		$1,500,000

Par $100.

Funded Debt—
Refunding mortgage 5 per cent bonds, series "A," due 1957, outstanding $3,124,000.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1930 $	1929 $
Gross rev.	2,212,886	2,165,328
Less: Expenses	1,374,299	1,342,141
Taxes	‡157,142	‡158,439
Net earnings	681,445	664,748
Less: Res. for deprec. .	135,000	135,000
Gen. interest	21,571	10,520
Bond interest	196,281	197,981
Net profit	328,598	321,247
Less appropriations:		
Pref. divds.	97,500	97,500
Com. divds.	210,000	210,000
Surplus for year	21,093	13,747
Add: Prev. surplus ...	261,107	247,360
Bal. carr. forward ...	282,200	261,107

‡Includes Dominion income tax.

	1930	1929
Times Bond Interest Earned:		
After deprec.	2.67	2.62
Earnings per Share and Dividend Record:		
Preferred: Earned ..	$21.90	$21.42
Paid	6.50	6.50
Common: Earned ...	6.60	6.39
Paid	6.00	6.00

Market Record—

	*1931		1930		1929	
	H	L	H	L	H	L
Common	98	92	101⅛	87	120	90
Preferred	104	103	106	100	105¼	100

*To March 2.

OTTAWA ELECTRIC
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$3,000,000

Par $100.
Entirely held by Ottawa Light, Heat and Power Co., with the exception of directors' qualifying shares, as part security for bonds of the parent company.

Funded Debt—
Refunding gold bonds, 5 per cent, due 1933, outstanding $625,000. General and refunding, 5 per cent, due 1957, (not in hands of public). Issued $3,182,500, all of which are deposited as security for Ottawa Light, Heat & Power Co. refunding bonds held by company.
The $625,000 unissued bonds are reserved to retire a like amount of refunding mortgage bonds due 1933.

OTTAWA GAS
(Controlled by Ottawa Light, Heat & Power Co.)

Capitalization—	Authorized	Outstanding
Common	$2,000,000	$2,000,000

Par $100.
All deposited as security for Ottawa Light, Heat and Power Co., Ltd., refunding bonds, except directors' qualifying shares.

Funded Debt—
Consolidated bonds, 5 per cent, due 1934, outstanding $150,000.
General and refunding bonds, 5 per cent, due 1957, (not in hands of public), issued $878,800.
All these bonds are deposited as security for Ottawa Light, Heat and Power Co., Ltd., refunding bonds held. The $150,000 unissued are reserved to retire a like amount of consolidated bonds due 1934.

AVALON TELEPHONE

System in Newfoundland Substantially Extended Last Year

During 1930 Avalon Telephone Co., serving St. John's and the Avalon peninsula in Newfoundland, extended its system to include several new communities, while additions were made to the existing switchboard. In the past year there was a net gain of over 500 telephones. At present the company has about 7,500 telephones in use.

To finance expansion Avalon Telephone offered $750,000 of 5½ per cent first mortgage bonds in June, 1930, proceeds of which were also used to redeem a former issue of $380,500 6 per cent bonds.

Handled More Calls

During 1930 the company handled about 16,000,000 calls an increase of 2,000,000 over the previous year; toll business showed an average increase.

Avalon telephone also serves Bell Island and equipment in this division was extended last year.

Recent reports state that negotiations are under way between the company and the American Telephone & Telegraph Co. whereby communication will be effected between Newfoundland and the United States.

Capitalization—	Authorized	Outstanding
Common	$300,000	$236,350
Pref. non-cum. 7%	400,000	400,000

Par $25.

Funded Debt—
First mortgage bonds, series "A," 6 per cent, due 1948, $750,000.

Dividend Record—
Dividends regularly paid on preferred, semi-annually, Jan. and July 1. On common, 2 per cent was paid in 1922; 4 per cent in 1923; none since.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earn.	221,080	198,405
Less: Oper. exp.	103,659	94,675
Net earnings	117,421	103,730
Less: Deprec.	41,394	37,586
Bond Int.	27,161	23,825
Res. for sink. fund ..	6,785	6,360
Net profit	42,081	36,009
Less appropriations:		
Pref. div.	28,000	28,000
Com. div.	14,181	11,818
Surplus for year	*099	*3,809
Add: Prev. surplus ...	691	4,500
Bal. carried forward ..	592	691

*Deficit.

Times Bond Interest Earned:		
After deprec.	2.80	2.78
Earnings per Share and Dividend Record:		
Pref.: Earned	$2.63	$2.25
Paid	1.75	1.76
Common: Earned ...	1.49	0.85
Paid	1.50	1.25

Pole line mileage of transmission lines in 1928 increased by 2,081 miles, or 17 per cent, and of distribution lines by 1,679 miles or 8 per cent. Ontario recorded the largest increase.

OTTAWA TRACTION

Tramway Earnings Below Dividend Needs of Parent Company

Ottawa Traction Co. reported a decrease in earnings for 1930 as compared with that reported in the preceding year. Although reductions were made in expenses, the net excess of revenue over expenses, aftr paying bond interest, was $91,000, beng $63,000 less than in the preceding year.

In view of this showing and also due to unsettled business conditions, the directors decided that dividends on the capital stock cannot yet be resumed.

Ottawa Traction is a holding company, owning 35,407 shares of the Ottawa Electric Railway. With the exception of 150 shares held by directors, all the issued capital of the railway company is now held by the holding company. Furthermore, during the past year, Ottawa Traction issued additional capital stock, making the amount now outstanding 56,076 shares, as against 55,815 at the end of 1929.

Ottawa Traction's only income is that received from dividends on the shares of Ottawa Electric Railway. As that company has paid no dividends since 1927, there were no dividends paid on the shares of Ottawa Traction. For the six years prior to 1928, however, dividends reecived from the Ottawa Electric Railway amounted to $279,075 annually, which amount was paid out again in dividends on the stock of Ottawa Traction.

Change Capital Stock

During the past year Ottawa Electric Railway effected a reorganization of its capital stock. By special legislation the authorized capital of the railway company was altered from 40,000 shares of $100 par value each to 40,000 shares without nominal or par value. After effecting various adjustments the issued capital stock of the railway company is now shown on the books at $1,377,898. This makes for simplification.

Capitalization—	Authorized	Outstanding
Common	$10,000,000	$5,607,600

Par $100.

Funded Debt—
First mortgage and collateral trust bonds, 5¼% due 1955 $2,807,000

PROFIT AND LOSS ACCOUNT
The company's only income is that received as dividends on the shares of Ottawa Electric Railway Co. As that company paid no dividends for the years ending Dec. 31, 1928, 1929 and 1930, there were no dividends paid on the shares of the Ottawa Traction Company in those years.

Market Record—

	*1931		1930		1929	
	H	L	H	L	H	L
Common	..	..	34	30	60	46

*To March 2.

OTTAWA ELECTRIC RAILWAY
(Controlled by Ottawa Traction Co.)

Capitalization—	Authorized	Outstanding
Common	40,000 shs.	*35,197 shs.

No par value.
*Of which the parent company holds 35,047 shares.

Funded Debt—
First mortgage 5½ per cent bonds, series "A," due 1955, outstanding $2,814,700.
The entire issue pledged as security for 5½ per cent first mortgage bonds of Ottawa Traction Co., Ltd.

INCOME AND SURPLUS ACCOUNT

	1930 $	1929 $
Gross revenue	1,764,165	1,887,124
Less: Oper. exp.	1,234,658	1,281,090
Net revenue	529,507	606,034
Less: Depreciation	266,172	256,848
Bond and other int. .	157,817	174,243
Amort. of bond disc. and expenses	5,534	5,820
Prov. for income tax	8,863	13,405
Other finan. chgs. ..	......	2,527
Net profit (surp.)	81,121	154,191
Add: Prev. surplus	243,254	89,063
Net adjustments ...	536	......
Bal. car. forward	334,911	243,254
Times Interest Earned:		
Before deprec.	3.36	3.40
After deprec.	1.67	1.93
Earnings per Share:		
Common	$2.59	$4.38

No dividends paid.

UNION NATURAL GAS CO.

Dominant Factor in Business in Southwestern Ontario—Control of United Fuel Investments May Lead to Further Expansion

In returns to shareholders, Union Natural Gas Co. has been a highly attractive investment; there have been liberal cash disbursements, splits in the shares and rights. Until the last quarter, it has been the custom of the company to offer its shareholders the option of taking dividends in stock or in cash.

The balance sheet indicates the possibility of early financing, either by this company itself, or by United Fuel Investments, or both.

Union Natural Gas formerly was controlled by Volcanic Oil & Gas, a holding company which was liquidated in 1929 and the assets distributed among the shareholders. The principal assets were the shares of Union Natural.

Territory is Broad

Union Natural long has been the dominant factor in the production and distribution of natural gas in the southwestern peninsula of Ontario and now also is concerned with the manufacture of gas in Hamilton and Windsor, as well as in London, a substantial interest in City Gas Co. having been bought in the last year.

Cities and towns in which the company is now active, on its own account or through subsidiaries, include Chatham (the head office), Windsor, Walkerville, Wallaceburg, Petrolea, Sarnia, London, Hamilton and Oakville.

The stock is listed on the New York Curb as well as the Toronto Curb. While most of the directors are residents of Canada, there is a Buffalo (N.Y.) interest and the affiliations of these interests have been traced through various gas companies in Western New York and in Pennsylvania. It has been reported that control of the entire International group lies with Standard Oil of New Jersey. If this is a fact, it would seem to preclude the possibility of a merger with the Henry L. Doherty-Cities Service group, which has a foothold in the Hamilton and Brantford territories.

It is believed that there is still a considerable supply of natural gas in the Southern Ontario field. The joining of this company with others which operate manufacturing plants would seem to strengthen the outlook, as the two products can be mixed economically if this procedure should be expedient.

Capitalization—	Authorized	Outstanding
Common	1,000,000 sh.	631,383 sh.

No par value.
Div. rate 35c. plus 5c. per share quarterly.
In March, 1930, shareholders were offered the option of a stock dividend of 2 per cent in lieu of the cash dividend, payable June 10, 1930, option expiring May 5, 1930.

Funded Debt—
None.

Market Record—

	*1931		1930		1929	
	H	L	H	L	H	L
Common	16	13	32½	14	45	38

*To March 2.

UNITED FUEL

Hamilton Enterprise Reported to be Feeling Business Depression

(Controlled by Union Natural Gas)

United Fuel Investments is a holding company for Hamilton By-Product Coke Ovens, United Gas & Fuel and United Suburban Gas. Hamilton By-Product sells coke in Hamilton and elsewhere in Ontario. United Gas has a franchise, but not an exclusive franchise, for distribution of manufactured gas in Hamilton; competition of Dominion Natural Gas, a Cities Service unit, is especially strenuous in the Mountain district of Hamilton and suburbs. United Suburban supplies gas to Oakville and other districts toward Toronto. It failed to get franchises in Port Credit and the township of Toronto, but Brampton to the north, has approved the franchise.

In the course of the last year, control of United Fuel investments was obtained by Union Natural Gas & Fuel, by the exchange of a majority of the 100,000 shares of common stock. The exchange was sufficiently attractive that it is understood that all but a few of the common shares of United Fuel have been exchanged for Union Natural shares on the basis of six-tenths of a share of Union Natural for one share of United Fuel. United Fuel shares also got 24 cents in cash in lieu of accrued dividend.

With United Fuel still some distance from the date when a dividend on the common stock is feasible, the offer of exchange proved attractive.

There is a broad investment interest in United Fuel and its subsidiaries. There are first mortgage bonds on both of the principal subsidiaries and, against the By-Product also are serial gold notes which are to be extinguished by refunding or otherwise in the present year. The principal capital obligation of the whole enterprise, however, is the $9,000,000 of 6 per cent cumulative preferred stock.

Say Current Earnings Lower

This preferred stock recently has been selling at new low figures. There has been no official intimation as to the earnings of the subsidiaries but it is believed that the comparatively mild winter and the business depression have combined to put the current earnings below the dividend requirement after bond interest and some allowance for depreciation. It will be noted that in 1929, a good year in business, the dividend was earned by a margin of only 22 cents. The report for the fiscal period ended March 31, 1930, showed the dividend earned by a safer margin, but the stock market appears to be expecting an unfavorable report.

The company showed a deficiency of working capital for the last fiscal year. The refunding required owing to the maturing serial notes, an item of $300,000, and other capital expenditures would seem to argue that the directors would not long continue dividends on this preferred stock if not earned. It will take some years of prosperity in the area served to enable the company to build adequate cash reserves.

Capitalization—	Authorized	Outstanding
Preferred	$25,000,000	$9,000,000
Par $100.		
Common	250,000 sh.	100,000 sh.
No par value.		

Funded Debt—
None.

CONSOLIDATED INCOME AND SURPLUS

	1930 $	1929 $
Net earnings‡	1,229,770	1,028,026
Less: Deprec.	135,000	101,265
Int. on bonds of constituent cos.	256,108	230,707
Int. on bank loans ..	119,135	86,918
Res. for inc. taxes ..	30,000	49,006
Net profit	689,527	560,135
Less appropriations:		
Pref. dividends	540,000	526,689
Surplus for year	149,527	33,446
Add: Prev. surplus ...	33,446	......
Balance carr. forward .	182,973	33,443

‡After provision for maintenance, renewals and repairs.

	1930	1929
Times Bond and Bank Int. Earned:		
Before deprec.	3.28	3.24
After deprec.	2.92	2.92
Earn. per Share and Div. Record:		
Pref.: Earned	$7.66	$6.22
Paid	6.00	6.00
Common: Earned ...	1.50	0.33
None paid.		

Market Record:

	*1931		1930		1929	
	H	L	H	L	H	L
Common	8	7	20	7	25	14
Preferred	65	50	80½	65	86	73

*To March 2.

UNITED GAS & FUEL
(Controlled by United Fuel Investments)

Capitalization—	Authorized	Issued
Common	$2,000,000	$2,000,000

Par $100.
All owned by United Fuel Investments.

Funded Debt—
1st mtge., 5½ per cent bonds, due 1948, outstanding $1,852,000.

UNITED SUBURBAN GAS
(Controlled by United Fuel Investments)

Capitalization—	Authorized	Issued
Common	$500,000	$297,200

Par $100.
All owned by parent company.

Funded Debt—
None.

CAN. HYDRO-ELEC.

Operating Subsidiaries Add Steadily to Capacity and Output

Controlled by Inter. Hydro-Electric

Canadian Hydro-Electric Corp. consolidated its position in 1930 as one of the largest producers of hydro-electric energy in the Dominion. According to official returns, the company had an output of 2,503,299,000 kw.h. as compared to 2,060,516,000 kw.h. in the preceding year, an increase of 21 per cent.

This company is a holding organization, operations being carried on principally through Gatineau Power Co. and Saint John River Power. Through these subsidiaries, Canadian Hydro-Electric controls power plants in Quebec and New Brunswick, together with retail and wholesale distributing systems serving a territory of 5,000 sq. miles, having a population of about 202,000.

Operate Big Plants

These developments include the power plant on the Gatineau River with an installed capacity of 436,000 h.p. and on the Ottawa River and tributaries developing 126,600 h.p. All the Gatineau and Ottawa plants, except 40,000 h.p., are physically interconnected, forming one hydro-electric generating property. The New Brunswick plant has an installed capacity of 80,000 h.p.

Operating subsidiaries of Canadian Hydro-Electric have several important long-term contracts with the Ontario Hydro-Electric Power Commission, requiring deliveries of primary power in the aggregate from 250,000 h.p. on October 1, 1928, more than 480,000 h.p. beginning October 1 this year and ultimately to a total of 505,000 h.p. Up to September 1, 1929, deliveries were being made at the rate of 250,000 h.p. In October, 1929, deliveries were increased to 325,000 h.p. and in December last the rated deliveries had attained 450,000 h.p. There are a number of other contracts.

Have Sufficient Capacity

Capacity sufficient to produce the total amount of power contracted to be delivered has already been constructed and is in operation. Pending full delivery, the temporarily available surplus power is being sold at substantially lower rates for steam purposes, so that increase in contract delivery results in increases in revenue with practically no increase in operating expenses and fixed charges.

Current Revenue Higher

An interim report issued by the company showed that during the twelve months ended September 30, 1930, Canadian Hydro-Electric received a gross income of $8,201,650 as against $6,855,778 in the calendar year of 1929. After deducting prior charges, there remained a net operating income of $6,873,755 in the fiscal year ended September 30 last. This was approximately $1,160,000 more than in the year ended December 31, 1929.

All of the voting stock of this company is held by International Hydro-Electric System, a direct subsidiary of International Paper & Power Co. Outstanding in the hands of the public is an issue of first preferred stock. While Canadian Hydro-Electric has no funded debt, its subsidiaries have bonds to the value of over $82,000,000 outstanding.

Capitalization—	Authorized	Outstanding
Common	1,000,000 sh.	1,000,000 sh.
No par value.		
1st pref. 6% cum.	37,500,000	12,500,000
2nd pref. non-cum.	25,000,000	25,000,000

Par $100.
Both 2nd preferred and common shares are held by International Electric Securities Corp., a subsidiary of International Paper Company.

Funded Debt—
None.

CONS. INCOME & SURPLUS ACCOUNT
12 Months Ended

	Sept. 30, 1930 $	July 31, 1930 $
Gross revenue	8,201,650	7,938,990
Less: Oper. exp.	611,382	599,730
Maintenance	236,275	218,430
Admin. & gen. exp. .	481,238	460,214
Net earnings	6,873,755	6,660,616
Less: Deprec.	622,674	583,756
Interest	4,288,033	4,242,682
Amort. of bond disct. and expense	276,179	268,315
Net profit	1,686,869	1,564,863
Less appropriations:		
Divds. 1st pref.	750,000	750,000
Surplus for period	936,869	814,863
Add surplus begin. of period	6,893,474	6,820,704
Bal. carried forward ..	7,830,343	7,635,567
Times Interest Earned:		
Before deprec.	1.60	1.57
After deprec.	1.46	1.43
Earn. per Share and Div. Record—		
1st pref.: Earned ...	$13.49	$12.52
Paid	6.00	6.00

Market Record—

	*1931		1930		1929	
	H	L	H	L	H	L
1st Pref.	80	70	92½	73	90	81

*To March 2.

New Industry in Sherbrooke

The L. G. Balfour Jewellery Company of Attleboro, Mass., has definitely decided to locate its Canadian branch factory at Sherbrooke, Que., according to an advice from the industrial commissioner, and has already taken up offices preparatory to equipping its factory.

GATINEAU POWER

Revenue Reflects Increased Deliveries to Ontario Hydro

Controlled by Can. Hydro-Electric

Gatineau Power Co. is continuing its programme of bringing installed capacity up to a point where it can take care of the increased deliveries called for under long-term contracts with the Ontario Hydro-Electric Power Commission.

At the beginning of this year, it placed contracts for a 34,000 h.p. unit to be installed in the Paugan plant on the Gatineau River. This is the seventh unit for the Paugan plant and will raise its installed capacity to 238,000 h.p. As the plant can house eight units, no extension of the power house structure will be required, and only the cost of the machinery of the new unit will be involved, resulting in relatively low additional capital cost per h.p.

Capacity Over 500,000 h.p.

Since Gatineau Power started its development programme four years ago, the company installed in its Farmers, Chelsea, and Paugan plants fourteen generators totalling 436,000 h.p. In addition Gatineau Power constructed or installed 87,560 h.p. in other plants, making a total installation since the beginning of 1927 of 523,560 h.p., or 89 per cent of all other such installations in Canada in that period.

Gatineau Power is the operating subsidiary of Canadian Hydro-Electric Corp., which company in turn forms part of the International Hydro-Electric System, a subsidiary of International Paper and Power Co. It, in turn, has several subsidiaries, the most important of which is the Saint John River Power Co., operating a plant of 80,000 h.p. capacity at Grand Falls, N.B.

During the twelve months ended September 30 last, gross revenue of Gatineau Power was $7,488,814. This compares with $5,645,160 in the previous twelve months. After all charges, net earnings were equivalent to 1.94 times interest requirements on the 5 per cent bonds and 2.49 times on the 6 per cent debentures, as compared with 1.71 and 1.58 times, respectively, in the previous twelve months.

All of the capital stock of this company is owned by Canadian Hydro-Electric Corp., public investment interest being confined solely to the bonds and debentures.

Capitalization—	Authorized	Outstanding
Common	600,000 shs.	500,000 shs.
Pref. cum. 6%	$25,000,000	$25,000,000

Par $100.

Funded Debt—
1st mtge. 5 per cent bonds, due 1956, outstanding $62,741,500.
Sinking fund debs., 6 per cent, due 1941, $11,732,500.
Gold debs., series "B" 6 per cent, $7,500,000.

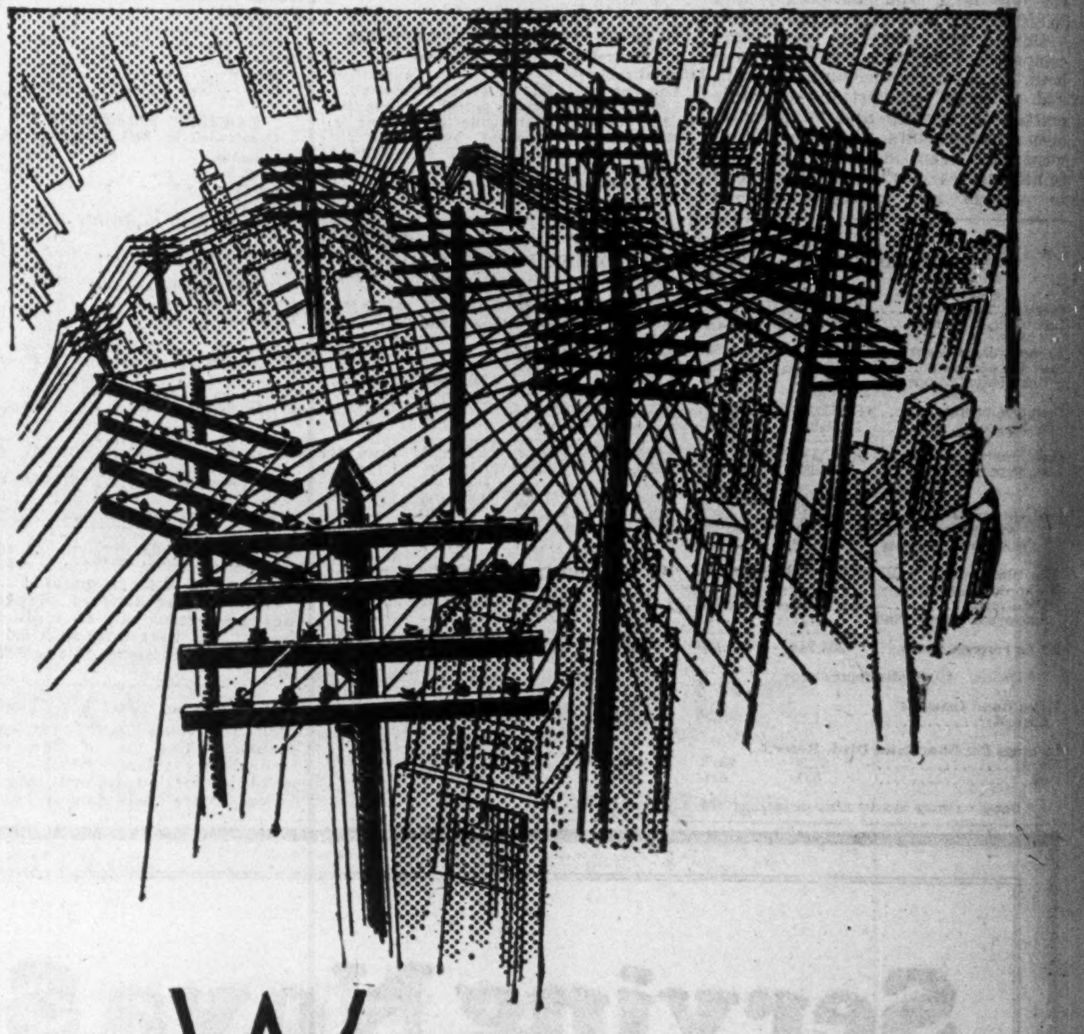
Earnings—
For the twelve months ended Sept. 30, 1930, gross revenue of the company was $7,488,814 as compared with $5,645,160 in the previous twelve months. After all charges, net earnings were equivalent to 1.94 times interest requirements on the 5 per cent bonds due 1956 and 2.49 times on the 6 per cent debentures due 1941, as compared with 1.71 and 1.58 times respectively in the previous twelve months.

Alcoa Power Co. Installs Last Set of Generators

From Our Own Correspondent

MONTREAL.—The last pair of the four generators to be installed at the Chute-à-Caron plant of Alcoa Power Co. are being installed. Each of the generators is capable of producing 77,000 h.p. and the combined capacity of 308,000 h.p. will be used entirely for the reduction of aluminum ores to pure aluminum by an electrolytic process at the plants of Aluminum Co. of Canada. The outside diameter of each generator is 31 ft. and their overall height is 32 ft. These figures are below the usual measurements of large generators and are indicative of compactness.

32
New Industries Were Established in Manitoba during 1930.
16
Existing Industries added new lines to their present products.
Manitoba now has:
1. 1,000 industries.
2. $35,000,000 annual payroll.
3. 29,000 employees.
In 1929 and 1930 Manitoba's industries produced more than its agriculture did.
NORTHWESTERN POWER CO. LTD.
MANITOBA POWER CO. LTD.
WINNIPEG ELECTRIC COMPANY
EDWARD ANDERSON, K.C., President



WEAVING THE WEB
that binds the world together
The remarkable growth of industry in Nova Scotia has drawn this province ever closer to the centres of commerce in this great North American continent. The swift, accurate interchange of news and information has been and is increasingly an urgent necessity to those leaders in industry transacting business over great distances and small.
There is ample justification, then, for the pride felt by the Maritime Telegraph & Telephone Company, Limited, as it looks back on long years of service. . . . Long years devoted to the establishment of a splendid system of communication that makes every city, town and village easily accessible however distant it may be. . . . Long years spent in weaving the perfect web that today binds Nova Scotia to the markets of the world, and makes every Nova Scotian the next-door neighbour of every other resident of the Continent.
Day by day new opportunities for industrial expansion come to Nova Scotia. . . . And as each exigency occurs so does the Telephone improve and extend its service to meet the demand.
The people of this province may rest assured that the Maritime Telegraph & Telephone Company, Limited, desires no greater privilege—recognizes no greater duty—has no other task to perform than faithful service to them, helping them in every possible way to reap the rich harvest which is the just reward of honourable industry.
MARITIME
TELEGRAPH and TELEPHONE
COMPANY LIMITED

KAMINISTIQUIA
POWER COMPANY
LIMITED
FORT WILLIAM
ONTARIO
35,000 H.P. Developed at Kakabeka Falls. Furnishing Commercial Power to the City of Fort William, Ontario

INTER. HYDRO-ELECTRIC

Operating Subsidiaries Continue to Report Growing Installations, Larger Output and Higher Revenues —System One of Largest on Continent

International Hydro-Electric System, controlled by International Power & Paper Co., is one of the largest hydro-electric operators on the American continent. Its development, over the last five years has been on a very broad scale, with a corresponding increase in output and earnings.

As at present constituted, International Hydro-Electric is the holding company for two principal subsidiaries, namely, New England Power Association for United States and Canadian Hydro-Electric Corp. for Canada. The properties operated by these companies are located in Quebec, Massachusetts, Rhode Island, New Hampshire and Vermont.

Space does not permit giving other than a board survey of the vast ramification of International Hydro-Electric System. Through New England Power, the system operates over an area of 9,000 square miles, serving light and power to 250 communities with a population in excess of 2,500,000. Canadian Hydro-Electric Corp., on the other hand, is largely a wholesale power producer, though it is active in the retail field through the Gatineau Electric Light Co.

An Outstanding Producer

Power plants owned and operated have an installed capacity of 852,100 h.p. generated by hydro and 477,500 h.p. produced by steam electric plants. These figures do not take into consideration the recently completed hydro-electric plant at 15 Mile Falls on the Connecticut River with a capacity of 200,000 h.p., nor do they include the installation of additional units at the plant of the St. John River Power Co. at Grand Falls and in the plants of the Gatineau Power Co.

Last year, the output of the properties now constituting International Hydro-Electric System was 4,145,029,000 kw.h. an increase of 9 per cent over the output of the same properties in the preceding year. In order to put comparisons on an equitable basis, it should be realized that the installed capacity increased from 1,206,000 h.p. to 1,329,600 h.p. in 1929.

Direct public investment interest in the system centres around the debentures, preferred and class "A" stock, the class "B" and common stock all being held by International Power & Paper Co. For the twelve months ended September 30, last, net revenue amounted to $28,030,559 and after all deductions, there remained a surplus equal to $4.58 a share on the average number class "A" shares outstanding during the period. This compared with dividend requirements of $2 a share.

Capitalization—	Authorized	Outstanding
Common	60,000,000 sh.	40,000,000 sh.
No par value.		
Class "A" $2	†2,000,000 sh.	759,164.2 sh.
Class "B"	2,000,000 sh.	1,000,000 sh.
No par value.		
Pref. conv. $3.50.	1,000,000 sh.	175,000 sh.

†Of this amount 570,000 shares are reserved for the conversion of the 6 per cent convertible gold debentures. There are outstanding about 70,000 warrants for the purchase of class "A" stock being a portion of the exchange price of United Electric Railway Co. bonds.

Funded Debt—
Six per cent convertible gold debs., due 1944, outstanding $30,000,000.

CONS. INCOME & SURPLUS ACCOUNT

	9 mos. ended Sept. 30, 1930 $	7 mos. ended July 31, 1929 $
Gross revenue:		
From operations	33,909,984	26,631,609
From other income	3,089,489	2,376,085
Total revenue	36,999,473	29,007,694
Less: Op. exp. & taxes	13,855,198	10,693,878
Maintenance	2,471,186	1,992,475
Net earnings	20,673,089	16,321,341
Less: Deprec.	2,928,754	2,267,568
Bond interest	8,679,507	6,766,591
Amort. of fund. debt	485,792	371,856
Res. for inc. tax	770,940	654,882
Minority int. in subs.	831,789	690,747
Net profit	6,976,307	5,569,697
Less appropriations:		
Subsid. divid.	4,651,937	3,614,778
Pref. divid.	243,498	159,033
Class "A" divid.	1,184,250	915,886
Surplus for period	896,622	880,000
Add: Surp. Jan. 1, 1930	13,338,450	13,338,450
Paid-in surplus	124,214	129,214
Bal. carried forward	14,359,286	14,347,664
Times Interest Earned:		
After deprec.	2.04	2.08
Earn. per Share and Div. Record:		
Pref.: Earned	$16.28	$13.50
Paid	1.75	0.87½
Class "A": Earned	2.58	2.33
Paid	1.50	1.00

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Class "A"	29	25	58¾	23	59½	23

*To March 2.

FOREIGN POWER

Revenue Declines During 1930—Re-invest at Lower Yield

Affiliated with Power Corp.

Earning power of Foreign Power Securities Corp. declined last year, largely because of the decrease in profits from investments. Income from ordinary sources has increased. In respect to the current fiscal year, the president is quoted as saying that revenue from investments may be decreased owing to some high interest rate bonds and loans having been retired and the money having to be reinvested at lower rates.

Though Foreign Power Securities is Canadian in origin and management, it is primarily interested in the acquisition of French hydro-electric and public utility securities. Up to date it has invested some $12,000,000 principally in the securities of L'Energie Industrielle. Societe Hydro-Electrique du Sud Est, Societe Hydro-Electrique des Basse Pyrenees, Societe Francaise Auxiliaire pour L'Electricite, L'Energie Electrique Rhone et Jura. The company also has large interests in other French utilities and directly or indirectly is interested in the operation of about 39 companies in France and Madagascar.

Will Conserve Resources

During the past year, the company declared an interim dividend of $1 a share. The report for the year ended October 31, 1930, showed that net profits were insufficient to take care of this charge after making allowances for all prior obligations. There has been no further payment and a further dividend is unlikely as the management will undoubtedly create larger reserves before making further disbursements.

Capitalization—	Authorized	Outstanding
Pref. 6%* Par $100.	$5,000,000	$5,000,000
Common n.p.v.	250,000 shs.	125,000 shs.

Common—An interim dividend of $1 per share was paid Jan. 20, 1930. None since.

Funded Debt—
First collateral trust 6% convertible, Series "A," due 1949, outstanding, $5,000,000.

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1930 $	1929 $
Div. and int. from invest.	556,788	520,093
Profit from invest. realized	241,300	416,887
Gross earnings	798,088	936,980
Less: Expenses	58,531	42,532
Taxes	4,098	2,833
Net earnings	785,459	891,615
Less: Interest	300,000	134,950
Bond discount	16,250	16,250
Net profit	419,209	740,415
Less appropriations:		
Pref. dividends	300,000	300,000
Com. dividends	125,000	......
Organiz. expense	......	24,518
Surplus for period*	†5,791	415,897
Add: Previous surplus	563,435	147,538
Provision for inc. tax	50,000	......
	507,644	563,435

*Before income tax. †Deficit.

Times Interest Earned	2.45	6.61
Earnings Per Share and Dividend Record:		
Preferred: Earned*	$8.38	$14.81
Paid	6.00	6.00
Common: Earned*	0.95	3.52
Paid	1.00	..

*Before provision for income tax.

DOM. TELEGRAPH

During recent years Dominion Telegraph Co. has taken on the form of a fixed investment trust, its income being limited to the amount of money received from leased lines.

This company was incorporated about seven years ago to acquire the properties of the Dominion Telegraph Co. In 1879, these properties were leased for 99 years to the American Union Telegraph Co., which in turn assigned its lease to the Western Union Telegraph Co. When it received the lease in 1891, the Western Union assigned to the Great Northwestern Telegraph all that portion of the system which lies west of New Brunswick. Great Northwestern Telegraph, being now part of the Canadian National Railway System, is operated through that organization, which has acknowledged and reaffirmed the obligation of the original lease, which guarantees a fixed revenue to Dominion Telegraph securities.

Income received from this source is sufficient to pay the interest on the company's bonds, while the company has additional money invested sufficient to take care of the redemption of the bonds outstanding and also to provide a bonus for the holders of the bonds at maturity.

Capitalization—	Authorized	Outstanding
Common Par $100.	$40,000	$40,000

Funded Debt—
Sinking fund mortgage 5½ per cent bonds, series "A" and "B," due 1978 .... $1,000,000

JAMAICA PUBLIC SERVICE

Strengthens Position as the Leading Utility on the Island

Jamaica Public Service Ltd., through its operating subsidiary, Jamaica Public Service Co., has strengthened its position as the leading utility in Jamaica during 1930. In addition to enlarging its present power plant it acquired two other properties, St. James Utilities and an electric light and ice business at Port Antonio.

St. James Utilities operates the electric light, power and ice-making business at Montego Bay, the second largest town in Jamaica and though the operations at Port Antonio are conducted on a smaller scale, the business is capable of expansion. To finance this acquisition, $2,000,000 of Jamaica Public Service Co. first mortgage 5 per cent bonds were offered in June, 1930, which also enabled the company to redeem a former issue of $937,500 6½ per cent first mortgage bonds.

Declare Initial Dividend

Gross and net earnings have shown a moderate improvement during the current year, a factor reflection in declaration of an initial dividend of 25 cents a share in September, 1930. This rate has been paid quarterly since that date.

Increasing use of electricity on the Isle of Jamaica is apparent. Gas lighting is giving way to electric lighting, there is a greater use of electric display lighting, while electric appliance sales have shown gains. The company is continuing its policy of drilling for water in dry sections with a view to increasing its power load in supplying requirements for pumping.

Capitalization—	Authorized	Outstanding
Common No par value.	60,000 shs.	45,000 shs.

Initial dividend of 25c. per share paid Oct. 1. 1930.

Funded Debt—
None.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earnings	752,886	697,876
Less: Oper. exp.	346,900	313,729
Maintenance	68,264	74,094
Taxes	29,977	27,066
Net earnings	307,745	282,987
Less: Bond int.	69,354	65,106
Net profit	238,391	217,881
Less: Pref. divs.	52,500	52,500
Pref. "B" divs.	17,500	17,500
Ord. divs.	11,250	3,750
Bal. for res. & retire...	157,141	144,131
Less: Retire res.	80,000	80,000
Debits to P. & L.	1,673	2,694
Balance	75,468	61,437
Add: Prev. surplus	284,321	222,884
Bal. carr. forward	359,789	284,321
Times Interest Earned:		
After retire. reserve	3.29	3.12
Earnings per Share and Dividend Record†:		
Preference:		
Earned	$21.12	$18.38
Paid	7%	7%
Preferred "B":		
Earned	$2.06	$1.66
Paid‡	7%	7%
Ordinary:		
Earned	$5.89	$4.53
Paid	.75	.25

†After retirement reserve.
‡7% equals approximately 34 cents.

Market Record—

	*1931 H	*1931 L	1930 H	1930 L	1929 H	1929 L
Preferred	109	109	110½	107	37½	29

*To March 2.

JAMAICA PUBLIC SERVICE CO.
(Controlled by Jamaica Public Service Ltd.)

Funded Debt—
1st mtge. bonds, series "B," 5 per cent, due 1950, outstanding $2,000,000. The 6½ per cent 1st mtge. bonds series "A," were redeemed July 1, 1930.

N. BRUNSWICK PWR.

Better Operations Reported During Last Few Years

Improvement in the situation surrounding New Brunswick Power Co. is reflected in the continued payment on dividend arrears of the first preferred stock. Though the earning record of the company for the past seven years, has not been altogether favorable, it is noticeable that a steady improvement has been recorded in the past four years.

Operations of New Brunswick Power may be roughly divided into four divisions: power, lighting, tramways and gas. Of these, power is the major section. Just over a year ago the company brought into operation a steam generating plant, with a capacity of 9,000 h.p., costing in the neighborhood of $800,000. This brought the capacity of the plant up to approximately 17,000 h.p. In addition the company owns land and water power sites on the Magaguadabic and Lepreaux River, which have an estimated installed capacity of 19,000 h.p.

The company has an agreement with the New Brunswick Electric Power Commission, whereby the Saint John steam plant acts as a stand-by for the commission's power plant at Musquash. When Musquash has a surplus of power, New Brunswick Power has the privilege of purchasing a certain amount from the commission.

Operate Tramway System

New Brunswick Power also operates a street railway system in Saint John as well as at Fairville, East Saint John, and Glen Falls. Approximately 25 miles of track are used, while over thirty closed cars are operated. Revenue from this source has been on a better scale in the past year or two, but is still somewhat limited, owing to heavy operating expenses.

Operations of the gas division have been carried on satisfactorily for many years. The gas plant at Saint John has been in continuous operation since 1845. Many additions and alterations have been made in the equipment so that it is now on a par with any plant of its size on the continent. It has a capacity of 200,000 cu. ft. of gas a day, in addition to which a good quality of coke for domestic and commercial purposes is produced.

Stock is Controlled

Investment interest in this company is rather limited, owing to the fact that the second preferred and common stock are largely owned by the Federal Light and Traction Co., which secured control of New Brunswick Power on April 1, 1923.

Capitalization—	Authorized	Outstanding
Common No par value.	20,000 shs.	20,000 shs.
1st pref. cum. 7%	$3,500,000	$1,000,000
2nd pref. non-cum. Par $100.	1,500,000	350,000

Preferred dividends are in arrears. On 1st pref. $1 was paid on arrears Mar. 2, 1931. Four similar dividends were paid during 1930.

Funded Debt—

First gold 5% bonds, due 1937	$5,000,000	$1,781,270

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1929 $	1928 $
Gross earnings:		
Railway	424,021	404,129
Light and power	407,184	361,920
Gas	80,487	77,846
Total oper. rev.	911,692	843,895
Less: Oper. expenses	665,202	621,746
Net earn. from oper.	246,490	221,149
Add: Non-oper. revenue	5,643	5,204
Total net revenue	252,133	227,353
Less: Depreciation	40,000	40,000
Bond interest	89,571	90,106
Other int. and disc.	37,680	28,264
Fed. income tax	5,237	6,357
Net profit	79,645	63,626
Less appropriations:		
First pref. div.	40,000	40,000
Surplus for year	39,645	23,626
Add: Prev. surplus	193,732	170,106
Bal. carried forward	233,377	193,732
Times Bond Interest Earned:		
After deprec.	2.87	2.08
Earnings per Share and Dividend Record:		
First Preferred:		
Earned	$7.96	$6.36
Paid	4.00	4.00
Second Preferred:		
Earned	*2.76	...
Paid	...	...
Common:		
Earned	...	...
None paid.		

*After deducting full year's dividend on first preferred, but not taking arrears into consideration.

CONS. PUB. UTILITY

New Company Takes Over Former Investment Organizations

Adverse market conditions have affected earnings of Second Public Utility Investment Co. and plans are under way to reorganize it together with its subsidiary, Public Utility Investment Co. A new concern has been formed with the name of Consolidated Public Utility Investment Co., which will acquire both the organizations as going concerns.

Both these companies carry on the business of investment trust with a preponderance of stock investments in public utility companies. During the past year earnings have dropped off and though a dividend of 25 cents a share was paid on the common stock of First Public Utility in January, 1931, the disbursement was made out of reserves.

Will Issue Debentures

Consolidated Utility Investment Corp. will have a capitalization consisting of $500,000 of 5½ per cent debentures in addition to class "A" and class "B" and founders shares; the former companies had no funded debt. The basis of exchange is as follows: Shareholders of Second Public Utility Investment Co. will receive one share of "A" and two shares of "B" stock of the new company in exchange for each common share presently held.

Shareholders of Public Utility Investment Co. will receive one share of "A" stock of the new company in exchange for each common share presently held. The new "A" shares are entitled to a dividend not exceeding $1 a share a year before any disbursement is made on the other shares.

Capitalization—

Class "A"	30,000 shs.	n.p.v.
Class "B"	36,000 shs.	n.p.v.
Deferred common	20,000 shs.	n.p.v.

Shareholders of Public Utility Investment Co. and of Second Public Utility Investment Co., the controlling company, have agreed to the sale of the two companies to the Consolidated Public Utility Co. on an exchange of shares agreement.

The basis of exchange is as follows: Shareholders of Second Public Utility Investment Co. will receive one share of class "A" and two shares of class "B" stock of the new company for each share of common stock presently held.

Shareholders of Public Utility Investment Co. will receive one share of class "A" stock of the new company in exchange for each share presently held.

Funded Debt—
5½ per cent debentures, 30-year, $500,000.

MARITIME ELECTRIC

Territory Served Covers Area of Proven Stability

Operations of the Maritime Electric Co. are spread over the provinces of New Brunswick, Prince Edward Island, Nova Scotia and the State of Maine. More specifically, activities are confined to towns of Fredericton, St. Stephen, Charlottetown, Bridgetown, Lawrencetown and Calais.

This organization is controlled by the Associated Gas and Electric Co., of the United States. Operations are conducted by subsidiaries, including St. Stephen, Calais Light and Power Co., Fredericton Electric Co., Charlottetown Electric Co., and Bridgetown Electric Light and Power Company.

Properties include three steam and two hydro-electric plants, having a total installed capacity of 2,800 kilowatts. The company has approximately 8,500 customers, while power sales range around 5,000,000 kw.h. per annum.

Over two years all the funded debt of the subsidiaries was redeemed and at present the only capital obligation of the company is 35,000 shares of common stock of a par value of $100 each.

Capitalization—	Authorized	Outstanding
Common Par $100.	$1,000,000	$350,000

Funded Debt—
None.

DUKE-PRICE POWER

Big Producer Has Output Fully Sold on Long Term Contracts

Duke-Price Power Co. operates one of the largest hydro-electric generating stations on the continent, with an installed capacity of 495,000 h.p. It owns transmission lines which connect plant with the chief industrial users in the district surrounding Lake St. John and the Saguenay Rivers, as well as connecting up with the Shawinigan system.

There has been talk of increasing the installed capacity of this plant owing to the larger needs of the Aluminum Co. at Arvida. This does not appear likely, however, due to the fact that Alcoa Co. a subsidiary of Aluminum Co. has carried out an extensive power development on the Saguenay, which will take care of requirements.

Duke-Price Power is in the fortunate position of having its output contracted for on long term contracts, the majority of which are for fifty years. Of the present output 100,000 h.p. goes to the Aluminum Co.; 100,000 h.p. to Price Bros.; 100,000 h.p. to Shawinigan; 30,000 h.p. to Port Alfred Pulp and Paper; 20,000 h.p. to Lake St. John Power and Paper. In addition excess power is supplied to the three main customers for steam and motive power loads. Further, through a subsidiary, Saguenay Electric Co., the company supplies the lighting, heating and industrial power requirements to cities and villages in the Lake St. John district and Saguenay River Valley, including Chicoutimi and Arvida.

Investment interest in this company is confined to the bonds only, the capital stock controlled being distributed as follows: approximately 53 1/3 per cent to Aluminum Co. of Canada; 20 per cent to Shawinigan Water and Power; and 26 2/3 per cent to Duke-Price private interests.

Capitalization—	Authorized	Outstanding
Common No par value.	210,000 sh.	210,000 sh.

Approximately 63-1/3 per cent of the capital stock is owned by the Aluminum Co. of Canada; 20 per cent by the Shawinigan Water & Power Co.; and 26-2/3 per cent by Duke-Price private interests.

Funded Debt—

First mtge. 6% due 1966	$36,652,000
Five year 6% gold notes, due 1932	3,500,000

CONSOLIDATED INCOME AND SURPLUS ACCOUNT

	1930 $	1929 $
Gross earnings	4,365,202	4,106,839
Less: Oper. expense	502,834	541,534
Taxes	226,960	222,661
Net earnings	3,635,407	3,342,644
Add: Other income	57,081	95,341
Total	3,692,488	3,437,985
Deduct:		
Depreciation	581,403	574,564
Other int.	312,119	325,989
Bond int.	2,206,776	2,217,105
Net profits and surplus	592,190	320,327
Add: Prev. surplus	778,118	457,791
Bal. carr. forward	1,370,308	778,118
Times Bond Interest Earned:		
After deprec.	1.26	1.14
Earnings per Share and Dividend Record:		
Common: Earned	$2.81	$1.38
Paid	...	...

SAGUENAY ELECTRIC
(Controlled by Duke-Price Power Co.)

Capitalization—	Authorized	Outstanding
Common	$1,700,000	$750,000
Preferred Par $100.	800,000	700,000

Majority of the issued stock owned by the Duke-Price Power Co.

Funded Debt—
First mortgage and collateral trust 5½ per cent bonds, series "A," due 1953, $1,360,000.

Quebec Still Leader In Power Output

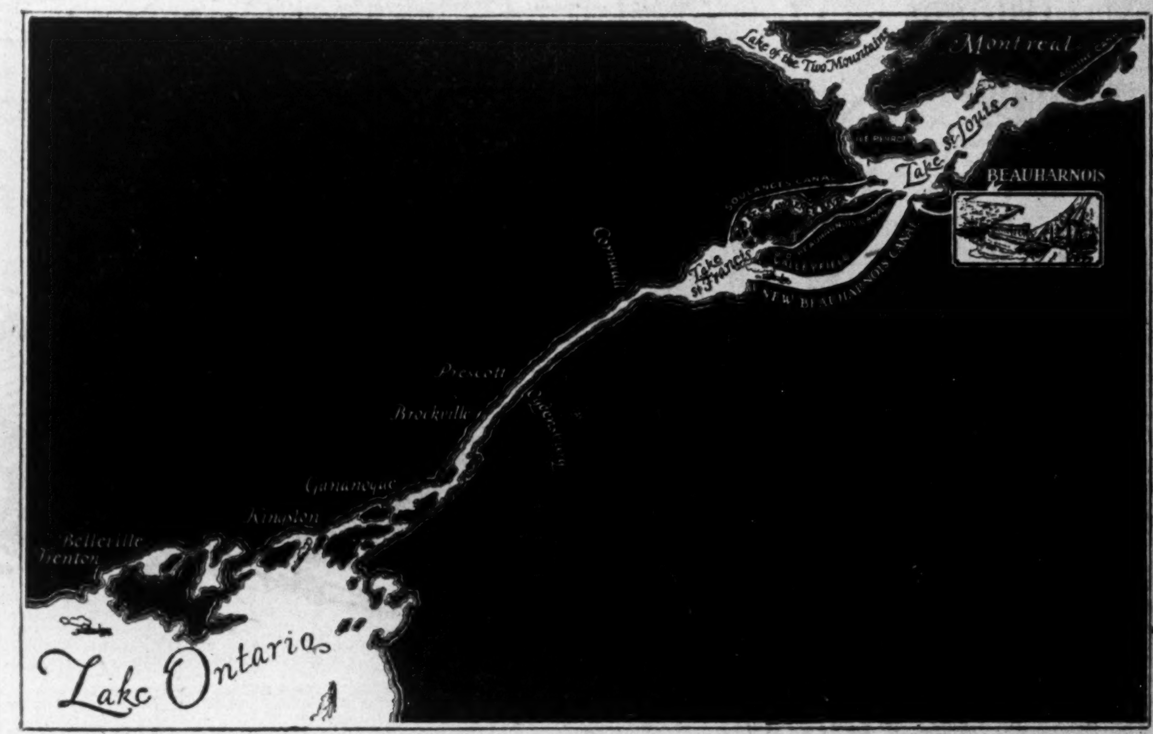
Quebec still leads all provinces in production of hydro-electric power. In 1930 central electric station output in the province from waterpower was 8,786,489 thousands of kw.h. as compared with Ontario's 5,988,381 thousands of kw.h. in the same year.

British Columbia holds third place with a central electric station production of 1,158,761 thousands of kw.h. in 1930, as compared to the prairie provinces' output of 1,122,215 thousands of kw.h.

Maritime provinces' water-power output showed an increase of 150 per cent in 1930 but is still below that of the other provinces, totalling 469,517 thousands of kw.h. in 1930.

Winnipeg Heating to Extend

The Winnipeg Heating Co., have made an application to the city of Winnipeg for the extension of their heating plant to take in another large area, the estimated cost is $1,000,000.



Power to Achieve

BEAUHARNOIS provides the power to achieve to those who build with Canada, either industrially or financially. Beauharnois is the largest power site in the Dominion. It is being developed on a low cost basis.

Beauharnois is the only place in the world where virtually unlimited, continuous, hydro-electric power is available at seaboard. Construction costs have already demonstrated that the power can be sold at prices to compete with the world. Beauharnois is located in the centre of the prosperous St. Lawrence basin where industrial growth has been greater than elsewhere in the Dominion.

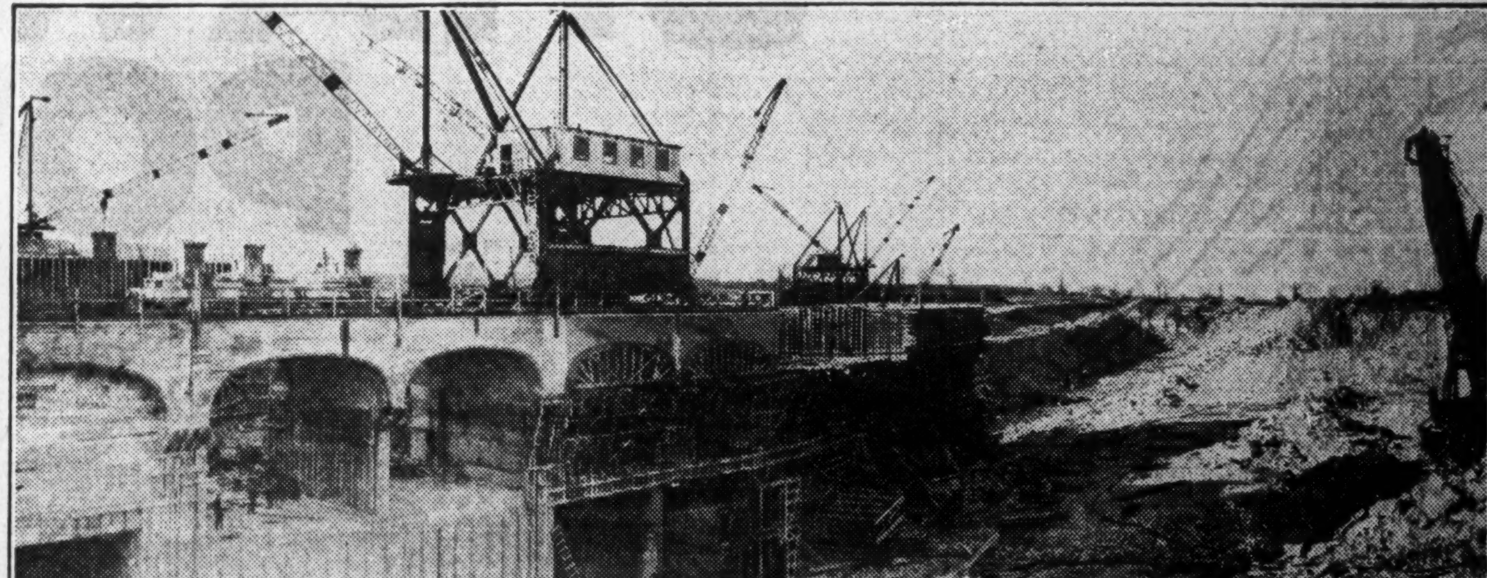
Thus, of the 500,000 horsepower installation, 462,000 horsepower has been sold under contracts extending for over thirty years. At the site another 1,200,000 horsepower awaits the future demands of industry.

Construction costs are well below the estimates and the amount of material handled to date is approximately 50 per cent ahead of the construction schedule.

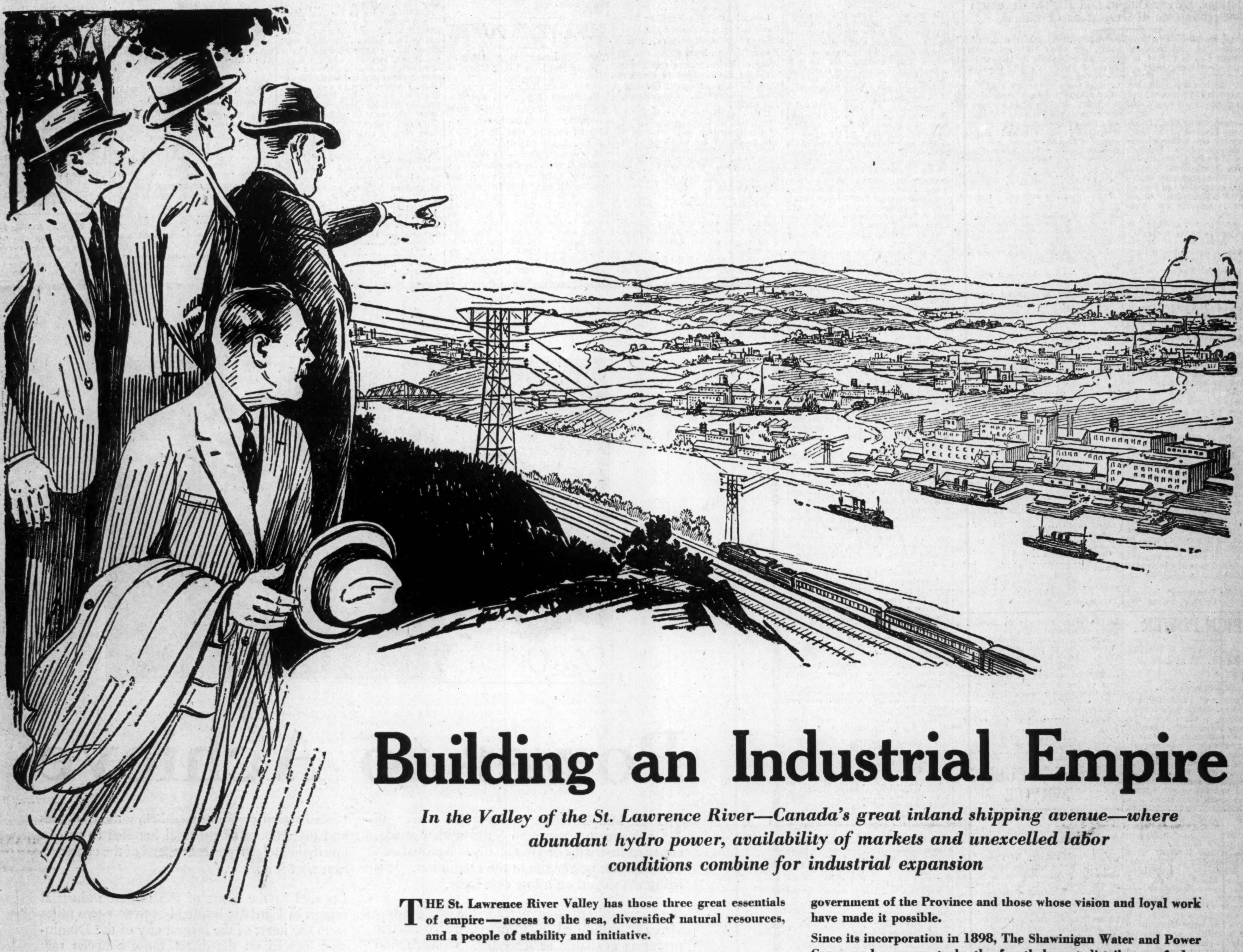
Located in the heart of the largest industrial region of Canada; located but twenty-two miles from the heart of the largest city of the Dominion; located on the direct route between raw materials and markets; with shipping facilities oversea and to the heart of the continent; with 93 per cent of its output sold; and with construction costs already established on a low basis, Beauharnois has an assured future.

Beauharnois is the first step in harnessing the 4,000,000 horsepower available on the St. Lawrence to Canadian industry. The development of the river for power will place the upper St. Lawrence basin amongst the leading industrial regions of the world.

Beauharnois Power
CORPORATION LIMITED



Power house construction work in the autumn of 1930 at Beauharnois. The plant will be 1,000 feet in length, and will house ten 50,000 h.p. units. It will be as high as a ten-storey building. The canal which will furnish water to the turbines is over half a mile in width, permitting further low cost expansion.



Building an Industrial Empire

In the Valley of the St. Lawrence River—Canada's great inland shipping avenue—where abundant hydro power, availability of markets and unexcelled labor conditions combine for industrial expansion

THE St. Lawrence River Valley has those three great essentials of empire—access to the sea, diversified natural resources, and a people of stability and initiative.

And it has that other modern essential—abundant hydro-power for industrial expansion.

Markets, too, are a vital factor. The St. Lawrence River gives water transportation to international markets and contact with the inland Great Lakes shipping route.

Montreal, Canada's largest urban market, lies within the Valley and is the rail transportation centre of the Dominion for contact with national markets. The City of Quebec and other cities and towns all growing industrially through the impetus of the Province of Quebec's advantages to industry are a valuable local market. The record achieved by The Shawinigan Water and Power Company and its contribution to the growth of industry in the Province of Quebec are a source of pride not only to the Company, but to the government of the Province and those whose vision and loyal work have made it possible.

Since its incorporation in 1898, The Shawinigan Water and Power Company has grown to be the fourth largest distributor of electricity in the world. The Company now controls in the form of electricity or hydraulic power over 850,000 installed horsepower, and in addition, 1,200,000 undeveloped.

Indicative of the part The Shawinigan Water and Power has played recently in the growth of Quebec Province industrially is the fact that in 1930 no less than 21 industries settled in the territory served by the Company, giving employment to over 1,700 people and having a pay-roll of approximately $2,000,000.

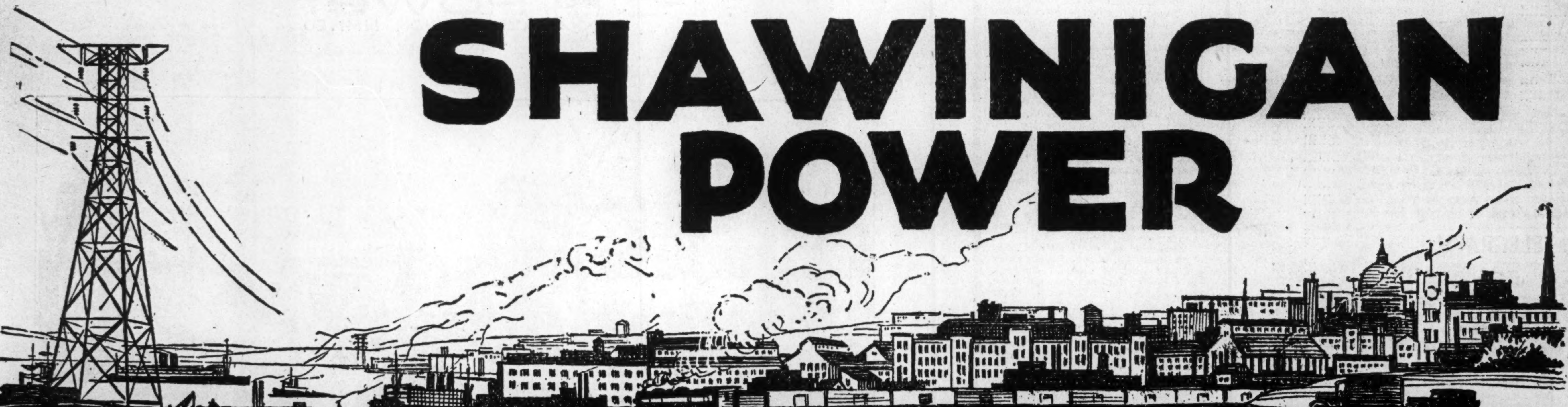
With the completion of present development plans of the Company on the Upper St. Maurice River, installed capacity will be increased to over 2,000,000 h.p. This and proposed developments indicate that the Company's alert policy in providing power supplies in advance of demand is being fully maintained.

For detailed information regarding advantageous locations for industries write

Department of Development
The Shawinigan Water & Power Company

Power Building Montreal

SHAWINIGAN POWER



The SHAWINIGAN WATER & POWER CO MONTREAL CANADA

Compulsory Pool Bill Is Amazing Document; Robs Farmer of Rights

Legislation Proposed in Saskatchewan Would Set Up Dictatorial Body With Sweeping and Dangerous Powers

From Our Own Correspondent

REGINA.—The bill introduced into the Saskatchewan Legislature for the compulsory pooling of grain is a remarkable document. Its essential purpose, that of forcing every farmer in the province to deliver his grain for marketing through a single channel, is sufficiently drastic, and necessarily implies the destruction of rights to individual sale on the part of farmers, or the right on the part of others to buy grain direct from farmers. But the bill, instead of restricting itself narrowly to its essential purpose, and protecting the rights and interests of farmers to whatever extent might be consistent with compulsory pooling goes to the opposite extreme, giving the widest possible powers to the directors of the institution to be created not only for the marketing of grain, but for many other enterprises which it might undertake with the proceeds of farmers' grain, and leaving the farmer at the discretionary mercy of the proposed new institution.

May Not Become Law

The following analysis of the bill was prepared from a copy of the bill as introduced. Because of constitutional limitations upon the power of a province to enact such legislation, it now appears doubtful whether it will ever be put into effect, or even submitted, as planned, to a referendum vote of grain producers. To make it valid would presumably require enabling legislation from Ottawa, which would hardly be considered until after the new grain inquiry commission has reported, and in any case the willingness of the Dominion Parliament to empower a province to put into effect such extraordinary legislation may be doubted. The analysis covers the bill as it was drafted on behalf of the Saskatchewan Wheat Pool and introduced. Details are not yet to hand of a number of alterations made in the Agricultural Committee of the Saskatchewan Legislature, which are reported to have left it substantially unchanged. But the committee did delete the word "Co-operative" from the title of the bill, presumably because it could not endorse the use of the word "co-operative" as applied to compulsory proposals. There is a very active opposition in Saskatchewan both among farmers and urban residents, to the provisions of the bill and the outcome of a referendum vote if and when one should be taken, is a matter of doubt.

Is Extreme in Measures

But whether finally effective or not, and to whatever extent it might be altered, the bill as prepared by the Saskatchewan Wheat Pool is important as showing the nature of the remarkable proposals put forth by it, and the lengths to which proponents of compulsory marketing are prepared to go.

The bill itself, is a comparatively short one, of 28 sections, brevity being accomplished mainly by giving powers, without reservations to the new institution, to its directors, and to the present directors of the Saskatchewan Wheat Pool.

The preamble recites:

"Whereas, grain being the chief product of this province the present unprecedentedly low prices thereof, coupled with the evident over-supply, has created a serious crisis in the economic life of the province; and

"Whereas it is expedient to secure the marketing of grain co-operatively in an endeavour to obtain wider markets for its sale and to assist in eliminating frequently recurring fluctuations in its price:

Section 1 gives the short title "The Co-operative Grain Marketing Act 1931," and section 2 is devoted to definitions, "grain" being defined as wheat, oats, barley, flax and rye grown within the province; and "grower" as a person by whom or upon whose behalf grain is actually grown or produced.

Is This Ultra Vires?

Section 3 is the critical one in so far as the constitutional powers of a province to enact such legislation are concerned. It declares that:

"Except as hereinafter provided, all grain grown in Saskatchewan shall be delivered to the company hereby incorporated or its duly authorized agents, within such time, at such place and in such manner as the board may determine. All grain so delivered shall be delivered to the company for sale by it as agent for the person delivering the same."

Exception is then made for sale of seed or feed to any one for his own use, for the sale of registered seed grain, and for retention by a grower for grain for his own use, and for his family and livestock. The section continues:

"Every contract for the sale or delivery of grain, other than as herein provided, not completed by actual delivery within ten days after this section comes into force, is hereby declared to be void."

Void Present Contracts

This, it will be noted, goes a good deal further than prohibiting the making of contracts which might be contrary to the intent of the act. It undertakes to void contracts which might be in existence prior to the passing of the act, which would include along with others, existing contracts of the present Wheat Pool.

In section 4 it is provided that the growers shall constitute a body corporate under the name of "Saskatchewan Grain Co-operative." This body is then vested with all the property of the present Saskatchewan Wheat Pool and also the liabilities of that institution. It is further provided that:

"Nothing herein contained shall entitle the holder of an interest in the commercial reserve or elevator deduction fund of Saskatchewan Co-operative Wheat Producers (the existing pool) to repayment of any money deducted by that company from the proceeds of grain sold for him so long as the directors of this company are of the opinion that the said commercial reserve and elevator deduction fund are useful in carrying on the business of this company."

Destroy Property Rights

Thus, by fiat of the legislature it is proposed to destroy whatever property rights may be held by present members of the Saskatchewan Wheat Pool in its assets. The funds so lightly dealt with amount to $19,000,000, and up to the present members of the pool have been encouraged to believe that this amount might ultimately be repaid to them, while for several years they have actually been receiving interest thereon. The asset may or may not be impaired at the present time on account of the financial position of the pool, for opinions have differed as to the legal right of the pool to pledge this money or its proceeds. But whatever rights the members may have had, or hope of subsequent recovery, are effectively extinguished here.

Section 5 is a long one, conveying powers to the Saskatchewan Grain Co-operative. The company may

"undertake and carry on all kinds of business connected with producing, marketing, buying, selling, storing, warehousing, financing, shipping, transporting, insuring, handling and manufacturing grain and grain products."

Might Become Millers

Thus, the company might engage in the milling business, or undertake directly the producing of grain. The power to undertake any business connected with the financing of grain would justify an incursion into banking. This is of additional importance because in the radical wing of the farmers' organizations there is a notion that the wheat pool should issue its own money, in the form of grain certificates.

The company may, but is not compelled, to operate a pool for each kind of grain.

It may deduct three per cent of the gross selling price of grain for a commercial reserve, and one cent per bushel for an elevator reserve. It is provided that no part of the commercial reserve shall be used for paying any loss incurred by Saskatchewan Co-operative Wheat Producers.

It may enter into contracts with any person or government, for the purpose of marketing co-operatively the grain of any group of growers, handled by themselves or through any agency in this or any other country.

Large Borrowing Powers

The section conveying financial powers is of special importance. The company may borrow money on any grain delivered to it and

"apply any or all moneys so borrowed either to make payments to parties delivering grain to the company or for any purpose of activity deemed by the board to be in the interests of the company.

"raise or assist in raising money for or aid by way of promise, endorsement, guarantee or otherwise any other company, person or agency with which the company may have business relations, and guarantee the performance of contracts and the payment of debts by any such company, person or agency."

Here then is a means of raising money and of carrying on any business in which the directors of the company may choose to engage, and its powers are specifically extended to carrying on insurance and dealing in all manner of farm supplies and equipment. It may also advertise in any conceivable way, including the publication of books, periodicals or newspapers, and carry on educational work of all kinds.

Enacted in this form the bill would make the offices of the Saskatchewan compulsory pool a paradise for propagandists since pool money could be used for any "educational" purpose the directors might be persuaded to approve. Socialism, communism, secession, debt repudiation, currency inflation, any and every scheme that hard times puts into the heads of men, could be advocated to an unlimited extent with the funds derived from Saskatchewan grain.

No Organization Yet

With these wide powers conveyed to the new compulsory pool, it might be expected that its organization would be laid down in detail. Instead, the bill provides that the articles of association which shall govern the company are to be filed by the board of directors. Control of election of the first board of directors is put into the hands of the directors of the present Saskatchewan Pool, who may make such regulations in that connection as they see fit. The board is given power to exercise all the powers of the company as are not required by the act to be exercised by the growers or delegates. But as the bill makes no restrictions in this respect, except that the delegates may from time to time alter the articles of association by a two-thirds majority, the powers of the board are practically unlimited. No action or other proceedings for damages by reason of any act of the board or the company may be commenced after the expiration of two years from the time of the cause for such action arising.

Railways, Elevators Object

The bill imposes upon railway companies the duty of allowing their freight books and records to be inspected by the board, for the purpose of checking non-deliveries. To this provision the railway companies have taken exception, arguing that it is contrary to the Railway Act of the Dominion Parliament. Elevator operators are similarly required to open for inspection their records of grain deliveries.

The penalty clauses impose a graduated series of fines, up to a maximum of $2,000, for sale of grain contrary to the provisions of the act, and provides that one half the fine imposed, with full costs, shall go to an informer. Every person who induces, aids or abets any one to deliver or sell, or accepts or receives for sale, any grain contrary to the provisions of the act, is liable to a fine of $500, and the burden of proof is put on the accused. This last section is in direct contravention of the Canada Grain Act, which imposes upon an elevator operator the duty not only to receive grain, but to ship it out in car load lots under the instructions of the owner of the grain.

It is provided that any sale or delivery of grain is made by an agent or employee of the grower, it shall be assumed, unless the contrary is shown that the agent or employee was acting within the scope of his authority or employment. Still more far-reaching is the section which provides that when "grain is removed from the premises on which it was grown and from the possession of the original owner without the permission of the company or without being delivered to the company, it shall be deemed to have been delivered, contrary to the provisions of the Act until the contrary is shown." Without the specific permission of the company, therefore, the farmer is in peril if he has his grain hauled to an elevator.

No Rights Left

The bill may be searched in vain for anything which either conveys to or leaves with the grower of grain any vestige of right either to his grain or to the proceeds of it, unless there is some protection in the words that grain delivered to the company "shall be delivered to it for sale by it as agent for the person delivering the same." That may make the company accountable in some way, but inasmuch as it may borrow money on the farmers' grain and use such money for "any purpose or activity deemed by the board to be in the interests of the company," and that might include milling grain, conducting an insurance business, or a farm supply business, guaranteeing the borrowings of a packing plant, or any other enterprise, the rights conveyed under that clause are somewhat shadowy. While it is provided that the company may make an advance on grain delivered to it, there is nothing to compel it to pay more to the grower either at that or at any other time.

The final section of the bill provides that the Act, or any sections of it may be brought into force by proclamation of the Lieutenant Governor, upon a day to be named therein.

Referendum Bill

There is nothing in the main bill about conducting a referendum. There is a separate bill which provides that the Government shall submit to a vote of the persons named in the bill the question "Are you in favor of bringing into force the Co-operative Grain Marketing Act, 1931." Voters are to be owners or occupants of at least one hundred and sixty acres of land upon some portion of which grain is actually produced. In the case of land sold, mortgaged or leased, landlord and tenant, mortgagor and mortgagor and mortgagee, landlord and tenant, each are qualified, while the chief resident officer of a corporation which is owner or occupier, vendor or purchaser, mortgagor or mortgagee, may vote. No person is allowed to vote more than once, no matter how extended his interest in land or grain growing.

It is provided that if a two-thirds majority vote in favor, the lieutenant-governor-in-council may proclaim the main act to be in force. Such proclamation may ultimately be revoked, but not until after three years, nor until the question of revocation has again been submitted by referendum to a vote, and a majority of votes are in favor of revocation.

NORTHERN TRUSTS EARNS 5.2 PER CENT

Business Conditions in West Reflected in Balance Sheet

Northern Trusts Co., Winnipeg, for 1930 reports earnings of $79,386, or 5.2 per cent on the paid-up capital of $1,500,000, compared with $120,191, or 8 per cent, for the previous year. The decline in earnings, says R. T. Riley, president, is entirely due to a falling off in interest payments on farm mortgages and carrying charges on properties held. He adds that in the balance sheet properties and mortgages have been conservatively valued and interest overdue more than two years is not included in the assets.

The company paid the usual 5 per cent dividends in 1930 but with the February payment, the rate was reduced to 4 per cent annually. The general reserve remains at $300,000, but $30,000 has been transferred from surplus to supplement contingency reserves.

Gross assets under administration are $17,619,917, compared with $17,896,681 a year ago. Estates and trusts are some $16,000 lower at $12,513,917. Trusts and agency funds are down from $988,456 to $873,256. Guaranteed funds are down from $2,440,024 to $2,330,695.

Company funds are $1,901,919, compared with $1,931,229 a year ago. Real estate mortgages and agreements are increased from $599,182 to $725,348. Holdings of government bonds are down from $399,034 to $177,469. Municipal and school bonds are up from $32,594 to $70,765. Other bonds and stocks are up from $222,883 to $297,432. Real estate acquired by foreclosure totals $393,463, compared with $325,864 a year ago. Office premises in Winnipeg and Regina are carried at the former figure of $145,000. Cash on hand is down from $118,274 to $26,368.

Earnings Record

Year	Paid-up Capital	Profits	Earn. %	Div. Rate
1927	$1,500,000	$102,083	6.8	4
1928	1,500,000	120,630	8.0	4
1929	1,500,000	120,191	8.0	5
1930	1,500,000	79,386	5.2	5

Saskatchewan Loan Profit is 2.6 Per Cent

Saskatchewan Loan & Investment Co., Moose Jaw, for 1930 reports profit of $9,629, or 2.6 per cent on the paid-up capital of $365,194, compared with $16,820, or 4.8 per cent on the paid-up capital of $365,169, for the previous year. The dividend of 6 per cent was omitted.

Gross assets are reduced from $445,753 to $440,064. Mortgages are up from $346,001 to $354,781. Contracts receivable are up from $32,097 to $32,560. Accrued interest is reduced from $3,801 to $2,510. Real estate and farm lands are shown at the former figure of $50,939, against which there is the same reserve of $3,614. Office furniture and fixtures are carried at $1 as formerly.

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1927	$361,470	$21,780	6.4	6
1928	361,471	23,759	6.9	6
1929	365,169	16,820	4.8	6
1930	365,194	9,629	2.6	.

*Less income tax.

Bond, Stock Appraisals Contain Some Surprises

Insurance Department's List of Valuations Shows Worthless Issues While Included Are Others in Big-Investor Class

Valuations at which insurance companies, and trust and loan companies may carry bonds and stocks in their balance sheets for the purpose of their annual statements to the public have just been made public in the annual volume published by the Dominion department of insurance.

As the volume gives no indication as to which companies own various securities, or in what amount, the publication is interesting chiefly as indicating a value on which valuations were authorized.

In the case of stocks, it is of interest to note that many issues have advanced since December 31, while a few now are selling at under the market value as of that date. A company with a fairly well diversified list, however, undoubtedly is in better position now than at the end of the last calendar year.

The bond list is more interesting in the case of bonds which are not listed on any exchange and which are not traded actively between dealers. And the names of a few companies appear which, so far as the public knew, have been entirely private in their financing.

The highest priced stock noticed was that of Toronto Iron Works, Ltd., the common of which is shown at $750 per share, while the preferred is valued at $100. It has been believed that three or four private individuals owned the stock of this company; evidently one or more insurance companies have it.

A fairly comprehensive list of stocks not active in trading, with the valuation fixed by the Ottawa insurance authorities, follows:

Common	Price
Acadia Fire (par 40)	60
Admistra. Generale, Montreal (50% pd.)	35
Alberta Cent. Land	No mkt.
Atlantic Underwear	23
Montreal City & Dist. Bank	295
Provincial Bank	135
Beaver Fire Insurance	113
Br.-America Assurance (par 25)	65
B. C. Pulp & Paper	4
Canada Life	700
Can. Nor. Power	19
Canadian Southern Rly.	59
Can. Permanent Trust	130
Can. Trust Co.	180
Canadian Indemnity	118
Canadian Pwr. & Paper Inv.	14
Can. Westinghouse	80
Capital Trust	80
Casualty of Canada	150
Chatham, W. & L. E. Rly.	No value
City Building & Land, Halifax	No market
Debenture Co. of Can., Regina	73
Disher Steel	8
Dom. of Can. Gen. Insurance	280
Dom. Perm. Loan	No value
Dominion Sugar	25
Dom. Traction, Windsor	No market
East. Can. Savings	135
Frost & Wood	10
Goderich Elevator	18
G. W. Saddlery	2
Halifax Fire	20
Home & For. Sec. Co.	130
Home Investment, Winnipeg	66
Imperial Life	425
Inter. Proprietaries	32
Levis Ferry Co.	30
Levis Tramways	No value
London & West. Trusts	168
London Loan	15
London Street Rly.	No market
Manitoba Cold Storage	113
Maritime Telegraph	16
Minn. St. P. & S. S. Marie Rly.	10
Mortgage Corp. of N. S.	104
Mutual Finance, Windsor	7
N. B. Telephone Co.	16
Niagara Lower Arch Bridge	30
Nor. Mortgage, Winnipeg	12
Nor. Trusts, Winnipeg	43
N. S. Savings, Halifax	100
N. S. Trust, Halifax	127
Occidental Trust, Wawanesa, Man.	96
Ontario & Quebec Rly.	120
Permanent Agencies, Montreal	5
Peterborough Lock Co.	105
Provident Land, Toronto	50
Quebec Central Rly.	103
Reliance Agencies, Montreal	100
Rogers-Majestic, Toronto	13
Royal Can. Sec. Corp., Winnipeg	68
St. S. & Milltown Rly., N.B.	32
Sterling Sec., Regina	55
Toronto Iron Works	750
Toronto Safe Dep. & Agency	No market
Toronto Savings & Loan	400
Traders Bldg. Ass'n, Winnipeg	89
Trinidad Electric	3
Union Trust Co.	108
Universal Agencies, Montreal	100
Waterloo Trust Co.	132
West. Assurance, Toronto (par 20)	50

Preferred	
Beaver Lumber, 7%, Winnipeg	98
Brand.-Henderson, 7%	90
B. C. Pulp, 7%	50
B. C. Telephone, 6%	104
Can. Machinery	30
Can. Newspaper Co.	No market
Can. Industries	120
Can. West. Nat. Gas, 6%	95
Can. Real Estate, Toronto	100
City Dairy, Winnipeg, 7%	80
Do., 8%	93
Cornwall St. Rly., 6%	120
Cumming Mfg., New Glasgow, N.S.	97
Dom. Rubber	85
Dom. Woollens, 6%	30
Duluth-Superior Traction	30
Dunlop Tire, 7%	103
Dupuis Freres, 8%	65
Farmers Dairy, 7%	94
Gen. Sec., Vancouver	99
Marcus Loew, Toronto, 7%	71
Maritime Coal, 6% (par 10)	5
McGavin, Edmonton, 7%	99
Mercury Mills, 6%	60
Minneapolis St. P. & S.S.M. Rly.	30
Mutual Finance, Windsor (par 10)	8
Northern Ont. L. & P., 6%	80
Provincial Paper, 7%	88
Quinte & Trent Power, 7%	88
Toronto Iron Works	100
West. Assurance (par 20)	50

As with the stocks, it would seem that insurance and trust and loan companies have picked poor investments in bonds from time to time, as the notation "no market" or "no value" occurs several times in the list. The bonds in the following list were selected from the government compilation primarily because the majority of them are seldom traded, so that the holder as a rule has little means of determining what is a fair market value for them.

	Rate	Maturity	Market Value Dec. 31, 1930
Abitibi Power & Paper—1st mtge., Series "A"	5	1953, or earlier	75
Acadia Apartments, Montreal—1st closed mtge., S. F.	6½	1939	95
Acadia Gas Engines, Bridgewater, N.S.—bonds	7	1946	95
Acadia Sugar Refining Co., Halifax—1st mtge. S. F.	6	1946 or earlier	80
General mtge., sinking fund	7	1946	80
Adelaide-Peter Bldgs., Toronto—1st mtge. S. F.	6½	1948	99
Alberta Pacific Grain—1st mtge. sinking fund	6	1948 or earlier	87
Alexander Bldg., Montreal—1st mtge. sinking fund	6	1947	90
Alexandra Apts., Toronto—1st mtge. sinking fund	6½	1940 or earlier at 106	101
American Sales Book, Toronto—1st mtge. S. F.	6	1939	103
Ames-Holden-McCready, Montreal—Coupon notes	6	1932	No value
1st mtge. sinking fund	6	1947, or earlier at 106	No value
Ancroft Place, Toronto—1st mtge., Series "A"	6½	1946	98
Anticosti Corp.—1st mtge. S. F. gold bonds, series "A"	6½	1941, or earlier	93
Architects Bldg. Corp., Montreal—1st closed mtge. sinking fund	6	1945, or earlier	94
Argyle Motor Services—1st mtge. sinking fund	6	1948	85
Arnold Bros., Toronto—1st mtge. Series "A"	6	1947, or earlier	88
Arrow Steamships, Toronto—1st (closed) mtge. serial bonds	6½	1931-1944	99
Asbestos Corp., Montreal—1st and refunding mtge. sinking fund gold bonds (without stock warrants)	6	1941, or earlier at 102½	65
1st and refunding mtge. sinking fund gold bonds (without stock warrants)	6	1941, or earlier at 102½	65
General mtge. sinking fund gold bonds	6	1956, or earlier at 105	20
Association of Syndicated Longshoremen of the Port of Montreal, Montreal—1st mtge. sinking fund	6½	1934	98
Auditorium, Ltd., Que.—1st and refund. mtge.	6	1931 to 1947	90
Avalon Telephone Co., St. John's, Nfld.—1st mtge. sinking fund, Series "A"	5½	1948	97
Avon River Power Co., Windsor, N.S.—1st mtge.	5½	1956, or earlier	94
Balfour Bldg., Montreal—1st mtge. sinking fund	6	1943, or earlier	91
Barcelona Traction—1st mtge.	6½	1974, or earlier	55
Bawlf Terminal Elevator, Winnipeg—1st mtge. "B"	6	1942	94
Bay-Adelaide Garage, Toronto—1st mtge. S. F.	6½	1947, or earlier at 103	95
Beach Foundry, Ottawa—1st mtge. sinking fund	7	1937, or earlier at 105	101
Beauharnois Power Corp., Montreal—coll. trust S. F.	6	1959, or earlier	95
Belgo-Canadian Paper, Montreal—1st mtge. S. F.	6	1943, or earlier	93
Bloor-St. George Realty, Toronto—1st mtge. S. F.	7	1946	94
Booth Bldgs., Ottawa—1st mtge. sinking fund	6½	1937, or earlier at 105	101
British Columbia Cement Co.—1st mtge.	6	1954	100
British Columbia Pulp & Paper, Vancouver—1st mtge.	6	1950, or earlier	68
General mtge. sinking fund	7	1950, or earlier	68
Burns & Co., Calgary—1st mtge. S. F., Series "A"	6½	1948, or earlier	87
Canada Biscuit, London—1st mtge. S. F., Series "A"	6½	1946, or earlier	68
Canada Machinery Corp., Galt—1st mtge.	6	1940, or earlier at 110	86
Canada Power & Paper Corp. Montreal—Collateral trust sinking fund	5½	1958, or earlier	35
Canadian Paperboard, Montreal—1st mtge. S. F.	7	1937	53
Can. Rail & Harbor Terminals, Toronto—1st mtge. sinking fund	6½	1951 or earlier at 105	64
Caron Bros. Inc., Montreal—1st mtge.	7	1934, or earlier at 102	No market
Chatham, Wallaceburg & Lake Erie Rly—1st mtge.	5	1925	No market
Chomedy Apts., Ltd., Montreal—1st mtge. S. F.	6½	1941	60
Cities Heating Co., London—1st mtge. S. F.	6	1948	90
Connors Bros., Black's Harbor, N.B.—1st mtge. S. F.	6½	1938	97
Consol. Investment Corp., Montreal—1st coll. trust, Series "A"	4½	1959, or earlier at 105	93
Cornwall Street Rly., Light & Power—1st mtge.	7	1934, or earlier at 110	109
Detroit & Canada Tunnel Co.—1st mtge. sinking fund	6	1953	82
Detroit Internat'l Bridge Co.—1st mtge. sink. fund	6½	1952	28
Detroit United Railway—1st consol. mtge.	4½	1932, or earlier at 105	98
Dominion Square Corp., Montreal—1st mtge. S. F.	6	1948, or earlier	89
Dominion Traction & Light. Co., Toronto—1st mtge.	5	1943, or on or after May 1, 1914, at 105	80
Dominion Woollens & Worsteds—1st mtge. S. F., "A"	6	1948, or earlier	85
Eastern Car Co., New Glasgow, N.S.—1st mtge. sinking fund (Guar. by Nova Scotia Steel & Coal Co.)	6	1952, or earlier at 105	83
Eaton Co. Ltd., (T), Toronto—bonds	6	30 days' notice	100
Bonds	8	30 days' notice	100
Eaton Realty Co. (T), Toronto—1st mtge. S. F.	5	1949, or earlier	96
Electric Elevator & Grain, Fort William—1st mtge. sinking fund, Series "A"	6	1944, or earlier	85
Fraser Cos. Ltd., Edmundston, N.B.—Convert. coll. trust gold notes	6	1932	66
1st mtge sinking fund, Series "A"	6	1950, or earlier	83
2nd mtge.	6½	1942	50
General Brock Hotel Co., Niagara Falls—1st mtge. sinking fund	6	1948	95
General Steel Wares, Toronto—1st mtge. S. F. "A"	6	1952, or earlier	89
Georgetown Coated Paper Mills, Georgetown, Ont.—1st mtge. sinking fund	6½	1947	97
Gleneagles Investment Co., Montreal—1st mtge. S. F.	6½	1944	99
Gordon Ironsides & Fares, Winnipeg—1st mtge. S. F.	6	1927, or earlier at 105	No market
Gotfredson Corp. Ltd., Walkerville—1st mtge. convertible sinking fund	6½	1941	101
Grand Trunk Terminal & Cold Storage Co., Detroit—1st mtge. sinking fund	6½	1937	80
Granite Club, Ltd., Toronto—1st mtge. sink. fund	6½	1952	50
2nd mtge.	7	1939	94
2nd mtge.	7	1940	94
Great Britain & Canada Invest. Corp., Montreal—convertible debentures	4½	1959	85
Great Lakes Paper Co.—Minneapolis—1st mtge. S. F.	6	1950, or earlier	80
Great West Saddlery Co., Winnipeg—1st mtge. S. F.	6	1948, or earlier	75
Hinde & Dauch Paper Co., Toronto—1st mtge. S. F.	5½	1948, or earlier	89
Hydro-Electric Bond & Share Corp., Montreal—1st collateral trust, Series "A"	5	1957, or earlier	88
Imperial Realty Co., Ottawa—Refund. mtge. S. F.	6	1945, or earlier	100
Internat'l Power & Paper Co. of Nfld.—1st mtge.	5	1968, or earlier	82
Internat'l Power Co., Montreal—gold debentures	6	1957, or earlier at 105	86
Gold debentures	6½	1957	...
Keefer Realty Corp., Montreal—1st mtge. S. F.	6½	1943	93
Lake Superior Corp., Montreal—1st mtge. & coll. trust	5	1944, or earlier at 105	65
Levis Tramway Co., Levis, Que.—income bonds	7	1934, or earlier at 106	60
Lewis Bldg. Co., Montreal—consol. mtge.	5	1968, or earlier	90
McNish, Robert & Co., Montreal—debenture stock (Guar. by Canadian Industrial Alcohol Co. Ltd.)	6	1948	50
Malagash Salt Co., New Glasgow, N.S.—1st mtge. S. F.	6½	1947, or earlier	50
Maple Leaf Milling Co.—1st (closed) mtge. S. F.	5½	1949, or earlier	83
Massey-Harris Co.—sinking fund debenture bonds	5	1947, or earlier	93
Mathews Steamship Co.—1st mtge. serial bonds, "A"	6	1931	95
Mexican Light & Power Co.—1st mtge.	5	1933, extend. to 1940	74
Midland Pacific Terminal, Ltd., Calgary—1st mtge. sinking fund	6½	1943	88
Minnesota & Ontario Paper—1st mtge. sinking fund	6	1946, or earlier	80
Montreal Apartments—1st mtge. sinking fund	5½	1948, or earlier	88
Montreal City Land Co., Montreal—1st mtge.	6	1941	75
Montreal Rail & Water Terminals—1st mtge. sinking fund gold bonds	6½	1951	60
Northern Ontario Bldg., Toronto—1st (closed) mtge. sinking fund	6½	1939, or earlier at 106	99
Nova Scotia Public Cold Storage Terminals, Halifax, N.S.—1st mtge. sinking fund	6	1958, or earlier	75
Nova Scotia Steel & Coal Co.—1st mtge.	5	1959	63
Debenture stock	6	1919, or later at 106	38 flat
Pacific Coast Terminals, New Westminster—1st mtge. sinking fund, Series "A"	6½	1948	80
Pigott Realty, Hamilton—1st mtge. serial	6	1931—1948	96
Port Alfred Pulp & Paper Corp.—1st mtge. deb. stk.	5½	1957	87
1st mtge. sinking fund, Series "A"	5½	1957	87
Professional Offices Ltd., Toronto—1st mtge. serial	7	1931	100
Quinte & Trent Valley Power Co.—1st mtge. S. F. "A"	6	1955, or earlier	73
Restigouche Co., Campbellton, N.B.—1st mtge. S. F. Series "A" (Guar. by Fraser Companies Ltd.)	5½	1948, or earlier	75
St. Mary's Cement Co., Toronto—1st mtge. S. F. "A"	6	1942, or earlier	101
Sherbrooke Rly. & Power Co.—1st mtge.	5	1940	90
Sherbrooke Street Realty. Corp., Montreal—1st mtge. sinking fund	6½	1940	96
Sin-Mac Lines, Montreal—1st (closed) mtge. S. F.	6	1949, or earlier	89
Starr Manufacturing Co., Dartmouth, N.S.—1st mtge. sinking fund	6	1948	85
Stock Exchange Bldg. Corp., Vancouver—1st mtge. (closed) sinking fund	6	1944, or earlier	96
Suburban Rapid Transit Co., Winnipeg—1st mtge.	5	1938	88
Toronto Carpet Mfg. Co., Toronto—1st mtge. S. F. "A"	6	1944, or earlier at 106	102
Traders' Bldg. Ass'n., Winnipeg—1st mtge.	6½	1938	93
United Grain Growers, Winnipeg—1st mtge. S. F.	5	1948, or earlier	87
Series "A"	5½	1949, or earlier	92
Series "B"	6	1944	95
Vancouver Properties Ltd., Vancouver—(Medical & Dental Bldg.) 1st (closed) mtge. sinking fund	6	1943, or earlier at 103	93
Woods Mfg. Co., Montreal—1st mtge. sinkng fund			
Zimmerknit, Limited, Hamilton—1st mtge. coll. trust, Series "A"	6	1948, or earlier	65

West. Can. Mortgage Earns 10.2 Per Cent

Western Canada Mortgage Co., Winnipeg, for 1930 reports earnings of $7,653, or 10.2 per cent on the paid-up capital of $75,077, compared with $7,956, or 11.8 per cent, on the paid-up capital of $68,261 for the previous year. Rupert Carr, president and managing director, reported that the company had only one foreclosure in the year and that no property held by the company had been vacant more than a week. Interest arrears at the end of the year were only 25 cents.

The company had purchased stock through a brokerage house which went into bankruptcy prior to delivery. The claim is $2,600 and it is hoped that the liquidators will permit delivery of the certificate rather than have the company rank as an ordinary creditor. A reserve has been set up against a possible loss in this connection.

Principal of mortgages held is up from $118,496 to $123,848. Interest due is reduced from $167 to 25 cents. Interest accrued is down from $1,219 to $1,107. The company's equity, net, in properties is $104,408, compared with $108,938 a year ago. House properties, less encumbrances, total $12,257, compared with $9,447 a year ago.

Bank loan is reduced from $20,000 to $11,500. Trust account is up from $7,069 to $9,679. The only other liability to the public is $50 in accounts payable, compared with $102 a year ago.

Earnings Record

Year	Paid-up Capital	Profits	Earn. %	Div. Rate
1928	$65,842	$8,257	12.5	8
1929	68,261	7,956	11.8	8
1930	77,077	7,653	10.2	8

PENMANS LIMITED
General Offices: Paris, Ontario
Manufacturers of High-Grade
KNITTED UNDERWEAR, HOSIERY, and OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario;
Coaticook and St. Hyacinthe, Quebec
Selling Agents to the Wholesale Trade:
John Gordon & Son, Limited, Montreal and Toronto.
To the Retail Trade:
Montreal, Quebec, Toronto, Ottawa, London, Hamilton, Halifax, Saint John, N.B.
Agents:
Bryce Sales Limited, Calgary, Winnipeg and Vancouver.
Export Representatives:
Great Britain and Ireland: Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, Eng.
W. J. Cutcliffe, London, Eng.
A. Lowry, Belfast, Ireland.
Australia: Hugh Scott Young, Melbourne.
New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.
South Africa: L. C. Carrick, Johannesburg.
Newfoundland: S. Elliott & Co., St. John's.
British West Indies: Wilson & Johnstone Ltd., Port-of-Spain, Trinidad.
Lester W. Huddle, Kingston, Jamaica.
China and Japan: Messrs. Horn & Nobbins, Shanghai, China.

The Fundamentals of Investing

Heretofore there has never been a book on the fundamentals of investing written from the Canadian standpoint. And there is just enough difference to make other books slightly confusing. Now a new book has just been published by The Financial Post. It is for the Canadian investor dealing with the particular investment conditions existing in Canada. It is non-technical. Yet it is complete. It deals with stocks; how to select them, how to judge their value, how to buy them, dealing with stock brokers, etc. It deals with bonds, what they are, how they can be judged, how to buy them, how to sell them, etc. It discusses problems of different types of investors and what they should choose.

In addition, there is a valuable compendium of financial and investment terms, table of stock yields, table of bond interest, stock exchange commission rates, etc.

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OTTAWA GIVES 1930 FIGURES LIFE INSURANCE

Canadian Business Abroad Actually in Excess of 1929

GROUP DECLINES

Business in Force Makes Poor Showing as Compared With Last Year

An actual increase of 2.7 per cent in the life insurance written by Canadian companies outside Canada in 1930, is a feature of preliminary figures issued by the Dominion insurance department this week. Business written by Canadian companies in Canada was 7.8 per cent below 1929, while the business of British and United States companies in Canada declined 13 per cent. The total business paid for by Canadian insurance companies was $1,287,461,000, a decrease of only 2.4 per cent from 1929.

Group insurance showed the highest percentage decline for the year, the group business written by all companies amounting to only $59,151,346 a drop of 25.3 per cent from the previous year. United States companies writing group insurance in Canada made a poor showing, the amount written being $8,540,000 which was 62.6 per cent below the corresponding figure a year ago.

Industrial insurance was on a par with the ordinary insurance record, and showed a decline for all companies of 5.6 per cent. It is noteworthy that Canadian companies writing industrial business showed a decline in volume of only .4 per cent from 1929.

Business in force showed a gain for the year of 5.4 per cent, the Canadian companies again securing the better record by a gain of 6.7 per cent whereas other companies made only a gain of 3.2 per cent. The heavy lapsation record of the year is indicated by the fact that although $884,888,500 of new business was paid for during the year, only 38 per cent of this total was added to the net insurance in force at the end of the year, as against 56 per cent added in 1929.

The following table shows the record for 1930 as far as data is available at the present time:

LIFE INSURANCE RECORD, 1929-30
New Business Paid For

	1930	% Change from 1929
(1) In Canada:		
(a) Can. companies:		
Ordinary	$ 490,401,660	—8.6%
Industrial	53,830,584	— .4
Group	50,611,296	—7.4
Total	590,843,540	—7.8
(b) Br. & U. S. A. companies:		
Ordinary	160,515,454	—10.2
Industrial	160,989,454	— 7.8
Group	8,540,050	—62.6
Total	290,044,968	—13.0
(c) All companies:		
Ordinary	650,917,114	— 7.8
Industrial	174,820,038	— 5.6
Group	59,151,346	—25.3
Total	884,888,498	— 9.5
(2) Outside Canada:		
Canadian co's.	692,617,420	+ 2.7
(3) Total Business Paid For:		
Canadian co's.*	$1,287,460,960	— 2.4%

*Includes business written abroad as well as in Canada.

Total Business in Force*, Dec. 31, 1930

Canadian companies	$4,319,040,121	+ 6.7%
Br. & U. S. cos.	2,173,019,521	+ 3.2
Total	$6,492,059,742	+ 5.4%

*In Canada only.

Don Rowand Appointed Handle Manitoba Agencies

From Our Own Correspondent

MONTREAL.—E. J. Don Rowand has been appointed Western Superintendent of the "Phoenix," "Columbia," and "Imperial," succeeding Black & Armstrong who will now act as agents in Winnipeg and district for the "Phoenix" and "Imperial" and general agents for Manitoba for the "Columbia."

To replace Mr. Rowand at Calgary, S. G. Helleur, formerly of the Montreal branch has been appointed resident inspector in Calgary.

Automobile Insurance Has Better Year

A better year for automobile insurance companies in 1930 is indicated by preliminary figures issued from Ottawa by the department of insurance this week. The ratio of net premiums written to losses incurred is reported at 54.36 per cents as compared with 56.58 per cent the previous year. Net premiums written increased $1,429,314 during the year to $18,256,918, while losses incurred were $9,924,852.

Adjusting the reserve of unearned premiums to take account of the larger volume of premiums written during the year for which the losses had not been fully sustained during the year, the premiums earned during 1930 amount to $17,571,359, the loss ratio on this basis being 56.48 per cent, as against 64.22 per cent on the same basis in 1929.

Fire Ratio 57.6 Per Cent in Past Year

Fire insurance premiums written in Canada during 1930 decreased by $3,382,961, or 5.77 per cent below the amount written in 1929, the total for 1930 being, after deducting licensed reinsurance, $55,208,019. Of this, Canadian companies wrote $11,211,468, British companies $23,745,067, and foreign companies, $20,251,484, these amounts being less than the corresponding figures for 1929 by 2.96 per cent, 9.37 per cent and 2.81 per cent, respectively.

Losses incurred increased from $31,547,322 in 1929 to $31,833,284 in 1930, the average loss ratio for 1930 being 57.66 per cent, compared with 53.69 per cent for 1929. The ratio for Canadian companies was 57.57 per cent; for British companies 57.27 per cent, and for foreign companies 58.16 per cent.

The 1930 and 1929 loss ratios by provinces are as follows:

Ratio of Losses Incurred to Premiums Written

	1930 %	1929 %	1928 %
Alberta	53.97	60.87	59.02
Br. Columbia	61.34	53.24	35.92
Manitoba	51.22	40.74	36.80
New Brunswick	63.44	65.12	49.99
Nova Scotia	47.96	48.53	59.76
Ontario	57.02	55.10	46.13
Pr. Edw. Island	42.80	154.00	36.35
Quebec	62.18	49.68	48.08
Saskatchewan	55.90	59.14	44.73
Yukon	190.05	87.31	169.12
All Canada	57.66	53.69	46.48

ONTARIO HEARING SET FOR MARCH 30

Data on Compensation to be Collected, Studied in Meantime

Postponement of the hearings of the Royal Commission to investigate the Workmen's Compensation Act in Ontario, has been arranged until March 30, following a preliminary hearing held by Justice Middleton, commissioner, last week. Various interested parties have been given two weeks in which to file their recommendations, and then a further two weeks will be allowed during which time each group will have an opportunity of examining the briefs submitted by the other.

A feature of the preliminary hearing was the written request received from chiropractors, osteopaths, drugless practitioners and Christian Scientists for the same status within the act as regular medical practioners. Although these bodies have not presented any concrete suggestions, they are apparently acting in a body and are anxious to be allowed to handle accidents for which compensation is allowed.

1930 Difficult Year For Fraternal Groups

Fraternal insurance in Canada experienced a difficult year in 1930 according to preliminary figures published by the Dominion Insurance department this week.

The business in force of Canadian fraternals in Canada declined nearly $5,500,000 to $130,562,000 as against $135,926,564 at the end of 1929. Foreign fraternal organizations however made a gain of almost $5,000,000 during the year so that the net results as far as business in force is concerned declined only $500,000 to $187,356,000 as compared with $187,882,000 the previous year. The figures are as follows:

Business in Force (in Canada):

	1930	1929
Canadian	$130,562,080	$135,926,564
Foreign	56,794,071	51,955,866
Total	187,356,151	187,882,430

PRICE ANNOUNCES BIG REDUCTION IN AUTO RATES

Ontario Decides Not to Have Government Regulation

A cut in passenger automobile rates of from 2 to 26 per cent for 1931 was announced last week by Attorney-General W. H. Price. The cut will be effective as at March 1, and the saving in premiums to Ontario motorists is estimated to be about $500,000. The percentage reduction from 1929 to 1930 rate schedules will depend on the coverage, the class of car and the territory where the automobile is used.

Commercial and fleet rates are to be increased, the existing rates having been found by Hon. Justice Hodgins (who recently completed a two-year enquiry into the whole question), to have been inadequate. The proposed rates for commercial cars represents an average increase above existing rates of about 12 per cent.

No Rate Regulation

Another important announcement by Hon. W. H. Price was to the effect that the power given the superintendent of insurance in Ontario under section 275a of the Insurance Act, to order a readjustment of rates whenever in his opinion they are excessive, inadequate, unfairly discriminatory or otherwise unreasonable, shall not be exercised. This clause, which carries sweeping powers of rate regulations, was enacted a year ago but has never been proclaimed. Commissioner Hodgins recommended that it be made law, but as it was vigorously opposed not only by insurance companies but also by representative public organizations, the government has decided to further defer bringing it into effect. Mr. Price's statement in this connection is as follows:

"This recommendation has caused the Government a great deal of concern. The associated insurance companies have vigorously opposed its adoption. It has not been supported by representatives from public organizations such as the Ontario Motor League, the Boards of Trade, and the Canadian Manufacturers Association. Strong opposition is encountered in many quarters to the extension of government control and regulation in many fields of business activity. It is doubtful if government regulation of insurance rates would be successful so long as the insurance companies and agents are strongly opposed and the public is only mildly interested in such regulation. For these reasons the Government has hesitated to accept the Commissioner's recommendation.

"Meanwhile the associated companies have made overtures to the Government with respect to rates for 1931, which encourage us to believe that the existing rates may be made substantially lower and more uniform by the companies voluntarily and that thus the hope of the Commissioner may be accomplished, at least for the time being, without government regulation.

"It is hoped that the experience during the year 1931 will make it unnecessary for the Government in the future to empower the Superintendent to investigate the rates and to order their adjustment where found by him to be excessive or unreasonable. Nevertheless, under the authority of legislation passed last session, all companies are preparing and filing with the insurance department, records which will enable the Superintendent of Insurance to report to the Government at any time as to the reasonableness of the rates, and I have no hesitation in saying that if at any time in the future the experience shows the necessity of government regulation of rates it will be undertaken promptly by bringing into force the provision therefor (section 275a) already in the Insurance Act."

NORTH AMERICAN BECOMES MUTUAL UNDER BRADSHAW

Is First "Line" Company to Take Step in Canada

$1,275,000 INVOLVED

President Gives Details of How Control Acquired and Basis for Selling Price

For a matter of $1,275,000, the North American Life Assurance Co. last week became a mutual life insurance company. This is the first time a regular Canadian "line" life insurance company has ever mutualized. There are about a dozen other mutual life insurance companies operating in Canada but the majority of them are foreign corporations. The most outstanding Canadian mutual company until the present time, has been the Mutual Life of Canada which has always been a mutual concern.

It is interesting that the North American is the only Canadian company whose act of incorporation definitely provides for an act of mutualization. If this had not been the case a special act of parliament or order-in-council would have been necessary as there are no provisions in the Dominion Insurance Act which provide for the mutualization of a joint stock life insurance company. It is rumored that G. D. Finlayson is planning to have such an amendment added to the Insurance Act when it is next up for revision.

Price $127.50 Per Share

The sum paid to the company's 35 shareholders was $127.50 per share. This figure was arrived at by computing the cost of the shares held by T. A. Bradshaw, president of the company, and J. H. Gundy, to which was added interest since these shares were purchased in 1928, less dividends paid in the meantime.

The price which Messrs. Bradshaw and Gundy received for their stock which represented just over 50 per cent of the total outstanding was accordingly about $640,000.

According to the shareholders' list published by the Insurance Department at Ottawa every two years, and showing individual stockholdings as at Jan. 28, 1929, the personal holdings of Mr. Bradshaw were 40 shares of stock and of Mr. Gundy, 35 shares. In addition, according to the statement issued by Mr. Bradshaw at the special meeting of shareholders last week, these two also owned shares formerly owned by W. B. Taylor (formerly president of the company) and by the estate of the late William McCabe. This block apparently comprised 1,415 shares at that time, and was shown in the shareholders list mentioned above, as being in trust for "A. R. Martin." These were purchased for $325 per share, and together with the personal holdings credited to Messrs. Bradshaw and Gundy at that time, represented 49.6 per cent of the total stock of the company outstanding.

However, following the purchase of control by Messrs. Bradshaw and Gundy, it was decided to issue the company's remaining unsubscribed capital stock at $20 a share on the basis of seven new shares for each three shares held. This gave the company 10.000 shares outstanding instead of 3,000, each share being of $100 par value and having 20 per cent of its total par value, paid-up.

Cost Price $111 Per Share

This meant that on the block of 1,415 shares purchased at $325 a share from W. B. Taylor and the McCabe estate, 3,309 new shares could be purchased at a cost of $20 a share bringing the total holdings of this key block of stock to 4,724 shares which cost the purchasers $526,055 or approximately $111 per share. It is this block of stock, plus the personal holdings of Messrs. Bradshaw and Gundy, which set the price for the amount to be paid to shareholders, the calculation being the cost of these shares, plus interest since they were required, less dividends received on this stock in the meantime (the latter item amounting to about $20,000).

Sun Drops Two Policies Changes Dividend Plan

Two important changes in underwriting have been planned by the Sun Life Assurance Co. within recent weeks, according to information given to The Financial Post. The first of these is the postponement of payment of a dividend on participating policies for new first year business, and the second is the dropping from the company's portfolio of two so-called "investment" policies which have been extremely popular within recent years. The change in dividend practice comes into effect on April 1, while the investment policies have been dropped as at March 1.

The change in dividend policy is a reversion to the more normal and business-like practice which obtained some years ago among all companies but which has lately been overthrown in the highly competitive conditions which have prevailed in the life insurance business in recent years. It means that all policyholders purchasing participating policies from the Sun Life on or after April 1, will receive no dividend on their policy until two years from the date of purchase. At the present time most participating policyholders receive a dividend at the end of the first year.

Bonus in Five Years

However, according to the new plan devised by the Sun Life, policies sold on or after April 1, in addition to receiving a dividend at the end of the second and subsequent years, will at the end of the fifth year receive a bonus dividend, which according to the company will be equivalent to a postponed first-year dividend. The rate of dividend will remain unchanged through 1930 both on new policies and on those already in force.

The dropping of "investment" policies by the Sun Life is of considerable interest in view of the widespread popularity of these policies in recent years. The most popular of these policies was the two-year endowment which was designed to enable the company to accept large sums of money to be held on deposit at the current interest rate declared each year by the company and yet offer sufficient insurance features to permit the company to write this type of business. As is implied by the name, the insurance feature lasted for two years only, after which the policyholder, if still living, would leave the principal sum on deposit with the company to earn interest at the annual rate declared by the company, and which has been 5½ per cent per annum for several years.

U. S. Barred the Policy

The other type of investment policy was the life annuity with death benefit which cost the applicant $1,050 per $1,000, and which achieved much the same purpose as the two-year endowment. The annuity provided that for a payment of $1,050 per unit the company would guarantee 3½ per cent annually during the life of the purchaser and then return the purchase price to his beneficiary at his death. The company started in paying 5½ per cent on this annuity bond, and this was to be increased by five-year intervals until the twentieth year, when it was estimated on the basis of the company's earnings that the income would be 6 per cent.

Last year the New York Insurance Department ruled against this form of contract and denied the life insurance companies issuing it in New York State the right to do so, charging that it was a form of banking and not in any way dependent on life insurance.

HODGINS MAKES STRONG REBUTTAL TO AUTO INSURERS

"Unsound Methods" Again Condemned By Commissioner

Defense of the conclusions of his Royal Commission report on automobile insurance premium rates in Ontario, is contained in a five-page memorandum sent to the attorney-general of the province on January 16, by Hon. Justice Hodgins, Commissioner, and released for publication this week. The memorandum was prepared at the request of the attorney-general and gives further support and explanation to the conclusions reached by the commissioner in regard to the much-disputed reasonableness of the rates charged by automobile insurance companies in 1929.

For the most part the memorandum is devoted to an explanation of the fact that in the original report, Commissioner Hodgins found that "the 1929 bureau rates for private passenger cars were excessive to the extent of $654,318," whereas the insurance companies replied that such a finding was unreasonable and absurd since the actual losses among bureau companies on all risks in 1929 were $276,700 and their losses in the same year on private passenger car risks alone were $69,489. For both bureau and non-bureau companies the corresponding figures were $255,210 and $40,488, respectively.

Some Small Profits

These latter figures include the bureau experience and the reason that the losses of all companies were less than those for bureau companies alone, is due to the fact that non-bureau companies apparently made a small profit. Referring to this apparent loss of $40,488 which was experienced by bureau and non-bureau companies in 1929 on private passenger risks, the memorandum says:

"Rebates or discounts of 5 per cent and 10 per cent were allowed by the bureau companies in case the insured took 3 or 5 coverages respectively, which rebates or discounts amounted to $125,564.00 or 3.4 per cent of the premiums which would have been charged if no discount had been given, i.e., the companies would have received $3,701,853 in premiums whereas they received $3,576,289. These discounts, in my opinion, represented unfair discrimination against the small policyholders. In the aggregate they total almost double the loss claimed to be suffered by the bureau companies in 1929."

The next point made by the Commissioner in his memorandum is to reiterate the fact that the bureau companies have "failed to account" for the sum of $978,829 which in the Commissioner's opinion was charged by the companies as additional allowance for expenses when a 50 and 25 per cent increase in the rates on public liability, property damage and collision rates, was made in 1929. In this connection he says:

"This additional expense provision was not defended before me and no basis or justification whatever was shown to me for any such addition. Of course a large portion of it went to agents and increased the amount of their commission (because the rate of commission remained the same notwithstanding the drastic increase in premium rates) but no explanation was forthcoming as to what became of the large additional sum provided for general administration and claim expenses, i.e. whether it was absorbed in the expenses of doing business or applied on losses. For these and other reasons, I was unable to accept the figures of $69,489 and $40,488 at their face value or as being the actual financial loss, and I so stated in my report.

Finally, the Commissioner says:

"As the bureau, in defending its 1929 rates, sought to establish their actuarial and statistical correctness, it was necessary to meet them on their own ground by other actuarial examination and scrutiny. If it was unsound to do this, then the companies' case is likewise unsound. I adopted the conclusions of the actuary advising the commission with one exception, which was in favor of the companies, in that I gave twice as much weight to the indications of 1929 as he did to that experience. In my report, while I deplored the complexity and minute considerations which such plans involved with all the expense and delay so caused, I applied the principles claimed to underly the bureau's own rate-making procedure to my problem of testing the 1929 rates, as otherwise the companies would have complained that their case had not been considered or met.

1929 Experience Emphasized

"Although I dealt with the case made by the bureau on the principles underlying its actuarial and statistical plan, the facts which developed in the course of the enquiry showed that the 1927, 1928 and 1929 rates had no real actuarial or statistical basis (except that in 1927 they used their statistical experience for the purpose of disregarding it by deliberately decreasing the rates it indicated). On this insecure foundation rested the rates of 1928 and also those of 1929, in which latter year a singular and unusual course was adopted, i.e., that of adding 50 per cent to the whole premium on two coverages and 25 per cent on collision premiums."

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This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

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FORTY-SEVENTH ANNUAL REPORT

Assets	$ 1,507,564.61
Liabilities	$ 50,476.46
Surplus Assets over Liabilities	$ 1,457,088.15
Insurance Written in 1930	$28,744,642.69
Increase for 1930	$ 5,204,714.69
Total Business in Force	$73,720,366.69

STRATTON WHITAKER, Managing Director
E. H. MUIR, President

FIRE, AUTOMOBILE, PLATE GLASS, BURGLARY AND WINDSTORM INSURANCE

The Oldest Mutual Fire Insurance Company in Western Canada

CANADIAN GENERAL INSURANCE COMPANY
HEAD OFFICE: TORONTO, CANADA
Branch Offices: Montreal, Toronto, Winnipeg, Regina, Edmonton and Vancouver

Balance Sheet as at 31st December 1930

ASSETS

Cash on hand and in banks		$ 145,287.45
Investments at market value (not in excess of cost)—		
Bonds and Debentures	$896,928.38	
Stocks	65,400.00	
Accrued Interest thereon	15,619.31	
		977,947.69
Agents' Balances—less Reserve	$115,392.96	
Due from Unlicensed Reinsurance Companies (Secured)	13,814.06	
Accounts Receivable (Since paid)	27,906.00	
		157,113.02
Amount owing by Unlicensed Reinsurance Company (secured by judgment, recovery under which is estimated at $20,000, the balance of $16,277.10 being reserved for in full)		36,277.10
Sundry Amounts Receivable		1,929.04
		$1,318,554.30

LIABILITIES

Reserve of Unearned Premiums at 80%		$ 279,580.23
Reserve for Unpaid Claims	$ 88,364.82	
Reserve for Unreported Claims	10,000.00	
Reserve for Taxes	11,000.00	
Reinsurance Companies for Premiums	33,455.66	
Agents' Credit Balances	1,360.96	
Accounts Payable and Accrued Expenses	4,617.80	
		148,799.24
Reserve for Unsecured Unlicensed Reinsurance		17,395.52
Capital:—		
Authorized 10,000 shares of $100 each $1,000,000		
Issued and fully paid—5,000 shares of $100 each	$500,000.00	
Surplus—being premium on capital less Reserve for Investments and Profit and Loss Account as per Statement attached	372,779.31	
		872,779.31
		$1,318,554.30

On behalf of the Board,
W. W. EVANS, President; W. P. FESS, Vice-President; PAUL H. HORST, Vice-President.

AUDITORS' CERTIFICATE

We have audited the books of Canadian General Insurance Company for the year ending 31st December, 1930, and have obtained all the information and explanations we have required. The officials of the Company have assured us that the reserves for unpaid and unreported claims are adequate, subject to which, we certify that, in our opinion, the above Balance Sheet is properly drawn up to show the correct position of the Company at that date, according to the best of our information, the explanations given to us and as shown by the books of the Company.

All our requirements as Auditors have been complied with.

Toronto, 25th February, 1931.
CLARKSON, GORDON, DILWORTH, GUILFOYLE & NASH. Chartered Accountants.

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In PHILADELPHIA The BENJAMIN FRANKLIN HOTEL

Only a HAND-KER-CHIEF

BUT it was no joking matter to the bride. Someone had stepped on her "going away" handkerchief. The rare little bit of handed-down lace was crumpled and soiled. And it had to be washed with infinite care. Could we? We could and did.

We rather pride ourselves on our ability to take care of our guests. You'll find it reflected in rooms that have closets big enough to hold *all* your clothes ... in *every* appointment which a hotel worthy of the name provides. But what you'll be sure to notice is a spirit of *extra* service, in all the little things which United Hotel employees are taught to take the time to do well!

At The Benjamin Franklin in Philadelphia we follow the ideas of Benjamin Franklin himself—the ideas of courteous service, hearty hospitality and giving guests their money's worth. The Benjamin Franklin has 1200 larger-than-average rooms, each with bath. Its location, on Chestnut Street, is convenient to trains, bus routes and every part of Philadelphia's business section. Three restaurants where the food cannot be excelled.

New BENJAMIN FRANKLIN Rates

NO. OF ROOMS	1 PERSON
746 Double-Bed Rooms	$ 4.00 to $ 7.00
224 Twin-Bed Rooms	$ 5.00
52 Parlor Suites	$12.00 to $15.00

Rates for 2 Persons $2.00 to $3.00 extra

Extra service at these 25

UNITED HOTELS

NEW YORK CITY'S *only United*. The Roosevelt
PHILADELPHIA, PA.... The Benjamin Franklin
SEATTLE, WASH. .... The Olympic
WORCESTER, MASS. .... The Bancroft
NEWARK, N.J. .... The Robert Treat
PATERSON, N.J. .... The Alexander Hamilton
TRENTON, N.J. .... The Stacy-Trent
HARRISBURG, PA. .... The Penn-Harris
ALBANY, N.Y. .... The Ten Eyck
SYRACUSE, N.Y. .... The Onondaga
ROCHESTER, N.Y. .... The Seneca
NIAGARA FALLS, N.Y. .... The Niagara
ERIE, PA. .... The Lawrence
AKRON, OHIO .... The Portage
FLINT, MICH. .... The Durant
KANSAS CITY, MO. .... The President
TUCSON, ARIZ. .... El Conquistador
SAN FRANCISCO, CAL. .... The St. Francis
SHREVEPORT, LA.... The Washington-Youree
NEW ORLEANS, LA. .... The Roosevelt
NEW ORLEANS, LA. .... The Bienville
TORONTO, ONT. .... The King Edward
NIAGARA FALLS, ONT. .... The Clifton
WINDSOR, ONT. .... The Prince Edward
KINGSTON, JAMAICA, B.W.I. The Constant Spring

UNITED HOTELS

Current Events in the Banking World

BANK MANAGERS GIVE INVESTORS VALUABLE AID

Bond Department Offers Facilities to Branches Across Canada

LACKS PREJUDICE

Increased Competition With Bond Dealers Remains to be Proven

Claims by investment bankers that the Canadian chartered banks are encroaching to a greater and greater degree upon their special field, focuses interest on a department of the banks that does not receive publicity but which renders a service to investors throughout Canada. That the banks are increasing their direct purchases of municipal debentures and are becoming a greater factor in bidding for such issues and futhermore are actively soliciting business from large institutional investors are among the claims made.

The extent to which certain banks may be pushing their bond business and the degree to which such expansion would affect the investment banking firms in the Dominion is a debatable matter. The banks are reticent on the point but have numerous precedents, notably in the rapid expansion in recent years of the bond departments of banks in the United States. It is the rule, rather than the exception, that in the purchase of major provincial or municipal debenture issues at least one bank is included in the successful syndicate. It is rather in the field of the smaller municipal issues that competition from the banks is not welcomed by bond dealers.

Activity Seems Normal

A survey of municipal bond sales during the past two years would indicate that the banks are not more successful in securing such issues by tender now than they have been in the past although it is probable that more banks are bidding. With demands for credit at a low level, particularly in the industrial areas, it is not extraordinary that the banks would turn to other means of maintaining earnings and the bond market offers one such possibility.

Banks have always dealt in bonds, to a large degree on their own account and also as a convenience to clients. The Canadian banks date their chief activity in this field from the flotation of the Canadian war loans in which they played a leading part. The Victory Loan of 1919 set the banks firmly on the path that they have since followed and every Canadian branch of the banks now offers facilities to clients for the purchase of bonds either directly from the bank or through the bank.

Formerly the individual bank manager placed his clients' orders through an investment banking house and received the commission but with the growth of the bond departments of the banks orders are now placed by the managers through this department and the branch is credited with the commission.

Issue Offering Sheets

Each of the banks issues an offering list of securities, usually at monthly intervals. This offering list is sent to each of the branches, and may be forwarded to clients of the bank while the head office also has a list of investors, institutional and private to whom the list is sent. Emphasis is placed on Dominion Government and Dominion guaranteed issues and Provincial Government and municipal issues although a selection of public utility, industrial and possibly foreign issues is also included.

The banks do not of course guarantee the reliability of the utility and industrial issues that are offered although they are selected with some care and a regard to the responsibility of the sponsoring investment house. The list does offer a lack of prejudice in favor of certain issues which may or may not be present in the offerings of investment bankers. The list also provides a key to branch managers, most of whom are unable to give the time to a comprehensive study of the bond market with relation to individual issues.

Advice is Good

The advice to investigate before investing is universally applicable and, consciously or unconsciously in following this rule many investors consult their banker. The branch manager is in many cases able to make valuable suggestions as to the investment policy which might be followed, particularly since he may be expected to know something of the financial needs and savings habits of the prospective investor. The banker may often render valuable assistance in keeping the investment plan in a proper balance adjusted to the needs of the investor and prevent undue loading of any one security.

The switching of securities by security salesmen in many cases may be of advantage to investors but in other cases where the salesman is unduly prejudiced or is outright dishonest a switch may result in the investor getting an investment with a much lower degree of security than the one traded. The branch manager understands the value of money and that security of principal is often sacrificed for an increased yield, a sacrifice that in many cases is absolutely dangerous. His advice in such circumstances is of the greatest value to his investing client.

The branch bank manager is not necessarily prejudiced in favor of the securities offered by his own bank. In fact, he is presumed to maintain an unprejudiced attitude and can and will place orders for almost any security since his bank has full facilities for such transactions and the head offices have direct wire connections with New York, Montreal or Toronto. The service that is rendered is not restricted to bonds alone but includes stocks although the bank does not hold this class of security for sale but buys through some member of the stock exchange on which the issue is listed.

Does Not Press Sale

The banker does not go out of his way to offer bonds unless he knows that his client is in the market for that class of security. One of the indications of the branch manager's success is his ability to build and maintain deposit accounts. Necessarily every bond that is sold to his client has an effect on the volume of his deposits and this will undoubtedly have some restraining effect. On the other hand, with over 4,000 bank branches in Canada, many of which are located in territory that is not particularly profitable for reputable bond salesmen working on only a reasonable margin of profit, the banks provide a wide coverage and are closely in touch with many investors who otherwise might be lured into investment in securities of doubtful if not dubious merit.

Entry of the banks into the bond field may in some cases provide an actual broadening of the market. Small investors may make their first purchase of securities through the bank, assured by the bank's reputation for honesty and integrity. Later, with more experience, such investors may extend the field of their investments and deal with bond houses or brokers.

Whether or not the banks, taking advantage of their size and their resources, have entered into direct competition with the investment bankers, the services rendered by the banks to investors serve as a valuable restraining force in many cases. Furthermore the service is extended throughout the Dominion since every branch can call upon the resources afforded by its head office. Such service is appreciated by all reputable investment bankers and by many investors. That other investors do not profit by this service is one of the reasons for investment losses that in most cases can ill be afforded.

Stonework Finished On Halifax Bank

Stonework has been completed on the new banking office of the Bank of Nova Scotia at Halifax. The new building is at Hollis and Prince Streets and is one of the finest banking structures ever to be built in the Maritime Provinces. The building itself will be ready for tenants about May 1, but the banking office will not be available for perhaps two or three months later.

Although the Bank of Nova Scotia is planning to build a huge skyscraper edifice in downtown Toronto where its chief executive offices are located, it will be remembered that the nominal head office of the bank is in Halifax and that there annual meetings are held.

Acid Industry Output Gains

The acids, alkalies and salts industry in Canada had an output valued at $28,021,972 in 1929 from 15 plants as against $21,256,286 from 16 plants in 1928 according to the report on the industry issued by the Dominion Bureau of Statistics. Capital employed increased to $49,417,431 from $40,024,624 and the number of employees to 2,897 from 2,517. Materials used in the industry were valued at $6,301,121.

What Editors Say of Banks

U. S. Praises Canadian System

Halifax Daily Star.—Canada, with a population approximately one-twelfth that of the United States and national wealth almost exactly in proportion, has only ten main banks with about 4,000 branches, an average of 400 branches to each main bank.

The Canadian banking system, comments the Denver Post, based on that of England, is famous the world over for its stability and she averages one bank for each 2,500 people. The United States has about 7,700 national banks and right close to 17,300 state banks, making a total banking plant of about 25,000, an average of one bank to serve about 4,800 people.

Per capita, the people of Canada are almost twice as well served with banking facilities as the people of the United States, taking no account of auxiliary institutions and private banks, which are common to both countries. Losses in Canada from failures among the regular banks are not known for the ten main banks are responsible for each branch, and the branch in Dawson or Dauphin is just as safe as the main bank in Montreal, Toronto, or Ottawa. The rules and interest rates on loans are universal. If our 25,000 American banks are giving adequate service to our population, sixty-two main banks with an average of 400 branches would give the same service and if these branches were doubled the people of the United States would have about the same per capita service as the people of Canada. Moreover, a bank failure would be unknown in the ranks of the established institutions.

We are a very smart people, concludes the Denver Post, but in some respects we are still very stupid. Canada also has 200 branch banks in England, the United States, the West Indies and Newfoundland.

Too Much Concentration

London Free Press.—The Free Press is a strong supporter of the Canadian banking system, even if there is a danger in the concentration of wealth in a few hands which is disturbing to the general public. However, the past year has proven the strength of the Canadian system. In the United States in 1930 there were 1,300 bank failures and in Canada not one.

The danger of the Canadian system is too much centralization in the great financial centres. For instance, the banks seem to be rivaling each other in the erection of huge head offices in Montreal and Toronto. This may be good business and a good investment. But at the same time the bank premises in many other centres are often poor and almost shabby. London is an important business centre, yet the bank premises of many of the large institutions are entirely out of proportion to the palaces these same banks erect in Toronto and Montreal.

Would it not be good business for the banks themselves to spread around their money a little and build finer buildings in other centres in Canada rather than to concentrate in Toronto and Montreal?

JAN'Y BANK DEBITS 17 p.c. LESS '30 TOTAL

Seasonal Adjustment Gives 10 p.c. Gain on December

January bank debits are reported at $2,668,000,000 as compared with $3,012,000,000 in December but, after adjustment for seasonal tendencies, were 10 per cent greater in January than in the preceding month. In January, 1930, the total was $3,211,421,766 so that the figure for January, 1931, is 17.2 per cent under that of the corresponding month in 1930.

Compared with the January, 1930, figures the decline of 10 per cent in the maritimes was the least of any of the five economic areas. In Quebec the drop was 14.2 per cent although Montreal with a decrease of 14.8 per cent showed a greater drop than did other clearing centres in the province. Ontario debits decreased 13.2 per cent, practically the same as Toronto which was down 13.3 per cent. Sarnia, Chatham and Peterborough were the only Ontario clearing centres to show gains.

In the prairie provinces the decrease amounted to 28.5 per cent while Winnipeg, the chief clearing centre showed a drop of 29.4 per cent. British Columbia debits were down 24.5 per cent while in Vancouver debits were down 25.2 per cent.

The turnover of bank deposits was low in January, the ratio of bank debits to bank deposits being 129 per cent compared with 148.5 per cent in January, 1930. Bank deposits declined 4.4 per cent during the month and debits dropped 17 per cent.

In comparison with December, 1930, bank debits increased 10 per cent after seasonal adjustment while the index of manufacturing production was down 4.4 per cent. Industrial employment dropped nearly 2 per cent during the month and wholesale prices dropped some 1.4 per cent. The index of common stock prices showed a gain of 3.7 per cent although trading on the Montreal Stock Exchange was 29 per cent less than in December.

January Bank Assets Show Heavy Decline

Many Changes in Chartered Bank Return—Demand Deposits Off $85,000,000—Liquid Resources Drop $67,000,000

History would seem to be repeating itself in the heavy decline shown in assets of Canadian chartered banks during January. This year total assets dropped $121,800,000 from the December figure, while nine years ago, the January, 1922, statement showed an almost identical decline of $120,600,000 from the December, 1921, showing. Assets of Canadian banks invariably decline to a greater or less degree in January, the sharpest decline of recent years occurring a year ago, when a drop of $200,000,000 was shown in between December, 1929, and January, 1930.

The largest single change is in demand deposits in Canada which slumped $84,978,000 or 13 per cent from the December figure of $641,694,000. On the other hand the decline in current loans in Canada showed only a small change, there being a decline of $8,000,000 to $1,141,110,000 in January. Savings deposits were higher by $2,891,000.

Liquid Resources Drop

Liquid resources of the banks show a sharp decline, dropping nearly $67,000,000 or 7.3 per cent to $843,000,000. Most items in this group share this decline equally, with the exception of foreign bank balances which are $17,800,000 higher than in December.

Credit conditions as measured by The Financial Post index for January are somewhat firmer than a month ago. The index is the ratio of current loans in Canada to demand and savings deposits in Canada and stood at 67.1 per cent in January as compared with 65.4 per cent the previous month and 77.7 per cent a year ago.

The Financial Post analysis of the January bank statement is as follows:

	Jan. 1931	Dec. 1930	Change	Jan. 1930	Change
ASSETS					
Immediately Available Liquid Resources					
	$	$	$	$	$
Specie	71,232,064	84,038,609	— 12,806,545	68,045,021	+ 3,187,043
Dom. notes	110,166,517	126,888,728	— 16,722,211	124,876,329	— 14,709,812
Gold reserve	22,230,866	32,580,866	— 10,350,000	32,580,866	— 10,350,000
Foreign banks	107,610,009	89,804,632	+ 17,805,377	88,066,412	+ 19,543,597
Foreign curr.	15,386,369	22,211,153	— 6,824,784	16,917,261	— 1,530,892
Gov't secs.	396,766,008	408,589,260	— 11,823,252	289,856,677	+106,909,331
Call loans ab'd	119,743,618	145,904,776	— 26,161,158	211,750,590	— 92,006,972
	843,135,451	910,018,024	— 66,882,573	832,093,156	+ 11,042,295
Loans and Securities Other Than Those of Canadian Government					
Public secs.	132,685,704	128,070,741	+ 4,614,963	89,451,516	+ 43,234,188
Rly. secs.	63,556,586	67,448,882	— 3,892,296	52,004,631	+ 11,551,955
Can. call loans	192,015,941	204,781,345	— 12,765,404	237,421,310	— 45,405,369
Current loans	1,141,110,017	1,149,175,118	— 8,065,101	1,383,806,716	—242,696,699
Loans ab'd	214,800,572	213,965,402	+ 835,170	257,516,432	— 42,715,860
Prov. & mun. loans	131,533,151	125,863,155	+ 5,669,996	108,080,846	+ 23,452,305
	1,875,701,971	1,889,304,643	— 13,602,672	2,128,281,451	—252,579,480
Other Assets					
Non-curr. loans	7,676,447	7,428,476	+ 247,971	7,213,307	+ 463,140
Real estate	6,018,547	5,831,913	+ 186,634	5,340,536	+ 678,011
Mortgages	6,987,343	7,035,637	— 48,294	7,207,461	— 220,118
Premises	78,679,359	78,559,505	+ 119,854	75,465,118	+ 3,214,241
Lets. of cred.	78,422,661	78,359,018	+ 63,643	103,535,622	— 25,112,961
Loans to comp.	11,786,221	11,968,601	— 182,380	10,600,439	+ 1,185,782
Other assets	1,848,890	1,584,143	+ 264,747	2,255,725	— 406,835
	191,419,468	190,767,293	+ 652,175	211,618,208	— 20,198,740
Total	2,910,256,890	2,990,089,960	— 79,833,070	3,171,992,815	—261,735,925
Note cir. dep.	6,797,431	6,799,788	— 2,357	6,372,199	+ 425,232
Int. bank bal.	104,818,723	146,866,265	— 42,047,542	142,553,287	— 37,734,564
Gross	3,021,873,044	3,143,756,013	—121,882,969	3,320,918,801	—299,045,257
LIABILITIES					
To the Public					
Circulation	141,438,920	148,017,056	— 6,578,136	156,062,061	— 14,623,141
Dom. Govt.	23,979,249	26,901,871	— 2,922,622	56,462,959	— 32,483,710
Prov. Govt.	23,622,783	20,631,434	+ 2,991,349	26,176,138	— 2,553,355
Govt. advances	12,500,000	20,500,000	— 8,000,000	49,700,000	— 37,200,000
Deposits by Public					
Demand dep.	556,715,533	641,694,317	— 84,978,784	644,512,530	— 87,796,997
Savings dep.	1,428,736,686	1,425,845,166	+ 2,891,520	1,439,814,864	— 11,078,178
Total	1,985,452,219	2,067,539,483	— 82,087,264	2,084,327,394	— 98,875,175
Foreign dep.	347,363,989	372,275,709	— 24,911,720	400,764,735	— 53,400,746
Due to Banks Abroad, Etc.					
United Kingdom	4,987,654	5,757,024	— 769,370	23,417,130	— 18,429,476
Foreign	57,279,856	59,289,286	— 2,009,430	72,633,051	— 15,353,195
Bills payable	4,806,437	5,293,321	— 486,884	4,254,540	+ 551,897
Lets. of cred.	78,422,661	78,359,018	+ 63,643	103,535,622	— 25,112,961
Other liab.	3,535,019	3,831,805	— 296,786	4,437,086	— 902,067
Public liab.	2,683,388,787	2,808,396,007	—125,007,220	2,981,770,716	—298,381,929
Due bet. banks	13,047,256	12,807,469	+ 239,787	14,450,934	— 1,403,678
Liability to Shareholders					
Dividends	1,350,374	872,672	+ 477,702	1,399,102	— 48,728
Reserve	162,225,000	162,225,000	....	158,965,889	+ 3,259,111
Capital	145,024,560	145,024,560	....	143,479,876	+ 1,544,684
Gross	3,005,035,977	3,129,325,708	—124,289,731	3,300,066,517	—295,030,540
Credit Index*	67.1%	65.4%	+ 1.7%	77.7%	— 10.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Bank Chat

T. T. RODGER has been appointed assistant western inspector for the Dominion Bank with headquarters at Winnipeg. Mr. Rodger was formerly manager at Marquis, Sask.

W. N. HUGILL has been appointed chief inspector of the Royal Bank at Toronto.

The Canadian Bank of Commerce announces the following staff appointments:

P. J. FASKEN, manager at Midland, to be manager at Birch Cliff, Ont.

J. F. GILLESPIE, manager at Carleton Place, Ont., to be manager at Blenheim, succeeding M. E. HARRINGTON who goes to Dundalk, Ont.

F. S. KENT, manager at Chesley, is appointed manager at Carleton Place, Ont., and is succeeded at Chesley by T. W. HENRY, manager at Dundalk.

J. L. THOMSON, assistant inspector at head office, has been appointed manager at Midland, Ont.

H. H. REID, manager at College & Clinton, Toronto, has been appointed manager at Penetanguishene, Ont., succeeding E. HAYES who goes to Port Perry.

G. M. WEDD, formerly accountant at King & Jordan, Toronto, has been appointed manager at Balmy Beach, Toronto.

The **Bank of Montreal** announces the following staff changes:

J. C. CLARKE, manager at Didsbury to be manager at MacGregor.

C. R. McKAY, manager at Botha to be manager at Hythe.

R. W. GUESS, superintendent's department, Toronto, goes to head office, Montreal.

C. O. MOON, superintendent's department, Toronto, is appointed assistant manager at King and Yonge Sts., Toronto.

F. MERRETT, manager at Wolfville, N.S., has gone on leave of absence prior to retiring on pension.

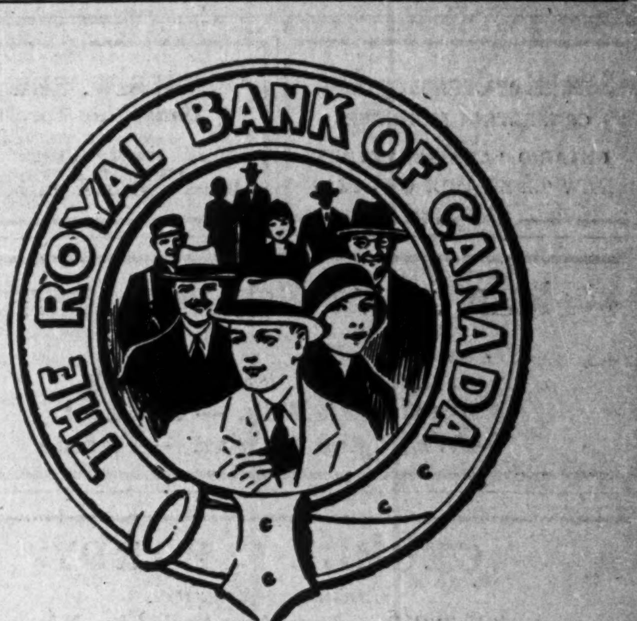
Eight Branches Closed; Four Opened in January

Bank branches at the end of January numbered 4,267 according to the monthly record compiled by Houston's Bank Directory. Seven branches and one sub-branch were closed during the month while three branches and one sub-branch were opened. Two of the new branches were Bank of Commerce offices, one at Hamilton and one at Bay and Wellington Toronto, where the bank's temporary head office was formerly located.

"Three of the eight branches closed were in Saskatchewan, and two of these belonged to the Royal Bank. The Provinciale bank closed two branches in the month.

Weekly Bank Clearings

	Mar. 6, 1930	Mar. 5, 1931
Eastern Cities		
Halifax	$ 3,577,996	$ 3,166,784
Saint John	2,715,620	2,587,659
Moncton	992,418	894,935
Sherbrooke	1,057,812	952,394
Quebec	6,063,163	6,481,435
Montreal	161,477,515	123,028,798
Ottawa	8,501,664	6,458,026
Kingston	900,419	657,664
Toronto	139,833,098	125,698,299
Hamilton	7,888,245	5,289,122
Kitchener	1,619,408	1,338,880
Brantford	1,083,497	880,024
London	3,732,434	3,252,888
Chatham	582,420	654,722
Sarnia	788,354	570,264
Sudbury	1,172,257	603,510
Windsor	4,793,121	3,543,575
Western Cities		
Fort William	$ 870,751	$ 750,277
Brandon	459,098	421,230
Moose Jaw	1,070,745	855,917
Saskatoon	2,335,887	1,863,953
Prince Albert	507,593	424,359
Edmonton	5,835,285	5,162,069
Calgary	10,130,411	5,398,211
Medicine Hat	403,161	265,067
Lethbridge	551,659	457,449
Vancouver	28,419,113	16,874,808
Regina	3,872,177	3,752,384
New Westminster	946,262	726,099


THE ROYAL BANK OF CANADA

Satisfied Customers!

SATISFIED customers have been largely responsible for the growth and progress of this Bank for sixty years. To-day, more than ever, we try to bring a human sympathy and an intimate understanding into our daily business contacts.

YOU WILL LIKE BANKING AT THE ROYAL

The Royal Bank of Canada

3034

Municipal Branch Banks Urged for Toronto

Sponsorship of municipal savings offices in Toronto is being advocated by Alderman J. A. C. Cameron, K.C. The alderman believes that offices similar to those set up by the Province of Ontario would earn the difference between 3 per cent paid depositors and the interest rate usually paid money borrowed by the city.

Finance Commissioner George Wilson contends that such an enterprise would result in an operating deficit and that for the city to compete with existing banks which pay taxes, would be a radical and inadvisable undertaking.

If such savings offices were set up, according to Alderman Cameron, they would be free from civic taxation and would have a better chance of making money than the branches of chartered banks now existent. He believes that in a few years Toronto would be making a profit of $1,000 a day from savings offices.

"We seek the good of the Country"

"We do not oppose anyone, all we seek is the good of the country. Our policy is to benefit our respective localities by employing our own and the floating capital under our control, in support of the trade and industry of the place."

The founders of The Canadian Bank of Commerce made this statement, knowing that Canada needed a bank which would employ the savings of the people so as to benefit the individual striving to produce more from the land, the forest and the mine—crossroads settlements looking forward to happier living conditions.

Continuing the policy of its founders, this Bank now serves every branch of Canadian commerce, in all sections of the country. Our services are available for every worthy enterprise.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up - 30 Million Dollars
Reserve Fund - 30 Million Dollars

CAS 13

Return of the Chartered Banks of the Dominion of Canada, January 31, 1931

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	35,612,068	11,674,910	....	5,224,791	140,157,816	392,324,996	74,613,310	2,579,767	925,958	6,781,639	293,232	9,571,921
Nova Scotia	13,452,858	1,073,329	....	922,059	30,185,781	128,736,674	31,355,722	3,385,256	97,935	2,283,484	408,056	5,319,012
Toronto	6,516,474	297,299	....	1,437,249	25,521,293	64,574,598	....	1,007,096	302,349	1,984,824	121,500	1,258,782
Provinciale	3,710,865	151,363	....	86,671	4,957,214	34,762,852	....	....	....	66,495	....	10,025
Commerce	25,451,055	2,358,386	....	5,002,823	122,212,189	291,314,513	45,797,304	1,104,389	672,676	15,303,074	609,761	24,335,329
Royal	32,159,430	6,049,217	10,000,000	5,218,684	159,631,137	289,102,998	191,584,587	1,695,374	1,557,710	25,589,542	1,351,783	33,186,250
Dominion	6,568,288	489,994	....	788,501	25,736,134	66,480,370	2,801,737	541,308	88,253	2,174,811	17,105	3,576,601
Nationale	9,484,399	562,125	1,500,000	1,296,477	21,990,287	88,563,782	1,211,329	774,340	42,239	452,458	....	275,818
Imperial	8,047,778	1,071,358	1,000,000	3,730,038	25,041,139	70,641,605	....	1,505,060	93,966	1,963,863	....	763,164
Weyburn Security	232,420	188,713	....	5,490	693,595	1,461,149	....	191,000	....	10,807	....	....
Barclays (Canada)	203,275	52,555	....	....	578,948	773,149	....	263,666	1,200,568	663,859	....	125,759
Total	141,438,920	23,979,249	12,500,000	23,622,783	556,715,533	1,428,736,686	347,363,989	13,047,256	4,987,654	57,279,856	4,806,437	78,422,661

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	2,361,459	1,090,039	38,000,000	36,000,000	757,216,911	50,000,000	36,000,000	12	3,152,331	33,121,952	41,122,179	37,812,695
Nova Scotia	307,066	10,300	24,000,000	12,000,000	253,537,538	15,000,000	12,000,000	16	2,438,176	9,638,136	8,574,061	14,317,332
Toronto	117,040	867	9,000,000	6,000,000	118,139,375	10,000,000	6,000,000	12	1,667,367	432,060	7,339,200	7,105,324
Provinciale	54,516	4,879	1,500,000	4,000,000	49,314,884	5,000,000	4,000,000	9	....	263,500	437,193	4,107,520
Commerce	....	7,130	30,000,000	30,000,000	594,178,643	50,000,000	30,000,000	12	8,012,126	9,975,000	26,040,000	27,290,924
Royal	248,333	18,475	35,000,000	35,000,000	829,393,526	50,000,000	35,000,000	12	4,167,763	15,007,151	11,164,516	34,185,459
Dominion	429,228	3,772	9,000,000	7,000,000	125,696,107	10,000,000	7,000,000	12	1,350,466	1,059,000	5,359,000	6,907,208
Nationale	....	2,836	7,000,000	7,000,000	140,066,094	10,000,000	7,000,000	10	945,592	1,073,867	1,595,980	10,900,734
Imperial	....	210,418	8,000,000	7,000,000	129,079,394	10,000,000	7,000,000	12	217,861	1,012,786	2,414,118	8,446,683
Weyburn Security	....	1,658	225,000	524,560	3,534,393	1,000,000	655,700	5	36,442	26,153	35,473	309,295
Barclays (Canada)	17,330	....	500,000	500,000	4,879,112	500,000	500,000	......	....	12,165	127,885	204,900
Total	3,534,972	1,350,374	162,225,000	145,024,560	3,005,035,977	211,500,000	145,155,700	......	21,988,124	71,621,770	104,209,605	151,588,074

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	33,020,193	43,316,352	3,044,416	546,544	24,964,304	2,589	1,006,515	21,771,248	132,017,838	56,596,552	9,735,099	13,396,463	34,307,469
Nova Scotia	9,561,923	7,121,193	955,285	1,454,767	8,085,886	....	166,068	7,971,894	28,837,289	12,394,825	11,782,794	30,218,547	5,422,717
Toronto	425,515	7,295,501	669,495	61,407	4,529,819	....	188,366	2,514,191	22,420,451	3,385,454	1,992,165	7,679,163	....
Provinciale	259,597	305,107	397,010	46,658	1,535,367	1,851,352	11,938	217,843	6,400,425	3,903,021	3,313,932	6,132,650	....
Commerce†	10,197,823	18,518,907	1,936,850	1,180,358	15,726,413	44,523	649,485	17,527,459	74,166,706	17,610,129	13,571,999	16,335,827	44,860,817
Royal‡	14,558,692	24,353,384	2,957,566	11,730,291	19,219,590	....	1,356,980	44,731,989	75,953,166	21,821,274	16,740,700	52,755,450	31,785,188
Dominion	1,053,727	3,910,744	920,940	124,926	3,444,924	2	182,564	1,932,851	15,723,040	3,406,882	2,895,480	14,262,746	3,367,427
Nationale§	1,103,476	1,315,149	883,970	142,961	4,129,515	186,114	48,322	933,653	22,715,094	7,366,951	3,346,216	10,819,997	....
Imperial	1,012,347	3,902,697	695,205	95,385	4,642,291	796,768	464,668	5,238,388	18,062,029	6,056,528	149,527	10,216,848	....
Weyburn Security**	26,580	34,319	177,010	887	8,980	316,674	....	28,500	989	39,016	28,674	....	....
Barclays (Canada)	12,191	93,164	10,030	2,182	332,656	2,283,179	291,137	375,950	468,981	105,072	....	198,250	....
Total	71,232,064	110,166,517	12,717,777	15,386,369	86,619,745	5,481,201	4,366,043	103,243,966	396,766,008	132,685,704	63,556,586	192,015,941	119,743,618

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	271,944,933	34,358,195	11,263,108	31,730,719	2,026,395	337,687	1,443,457	14,500,000	9,571,921	1,642,836	5,000,000	2,316,003	90,801	759,951,548
Nova Scotia	88,342,354	16,070,939	977,231	8,903,841	184,759	64,284	86,552	7,995,279	5,319,012	530,231	2,000,000	....	107,086	254,564,766
Toronto	58,483,481	....	....	3,314,024	157,348	....	39,493	3,718,803	1,258,782	289,003	630,866	....	....	119,053,335
Provinciale	20,143,839	....	....	1,636,846	146,638	418,151	496,568	2,195,397	10,025	212,600	....	....	234,268	49,869,241
Commerce†	214,399,732	24,518,955	6,344,717	29,718,142	2,295,695	1,979,155	2,161,657	15,172,743	24,335,329	1,250,000	8,000,000	4,083,789	348,913	596,986,133
Royal‡	297,564,726	138,503,877	3,319,925	12,007,886	2,241,618	2,157,275	1,170,170	16,986,277	33,186,250	1,750,000	3,000,000	5,386,429	535,087	835,783,804
Dominion	60,778,574	1,279,793	....	2,201,256	107,170	43,809	16,324	6,055,401	3,576,601	345,000	500,000	....	258,694	126,388,887
Nationale§	64,795,462	68,813	4,297,394	8,456,344	174,204	746,237	812,596	5,674,525	275,818	361,330	2,000,000	....	108,835	140,762,987
Imperial	62,381,998	....	109,244	7,049,768	163,713	122,394	529,827	6,022,924	763,164	377,293	1,100,000	....	152,146	130,105,163
Weyburn Security**	1,778,354	....	....	202,706	178,907	149,655	230,699	358,010	....	30,988	....	....	12,954	3,603,909
Barclays (Canada)	496,564	....	....	....	....	....	....	....	125,759	8,150	....	....	....	4,803,271
Total	1,141,110,017	214,800,572	26,311,619	105,221,532	7,676,447	6,018,547	6,987,343	78,679,359	78,422,661	6,797,431	22,230,866	11,786,221	1,848,784	3,021,873,044

Column No. 26. Of this deposit $13,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†In addition to the business of its Agency in San Francisco, the figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

**The assets and liabilities of the Weyburn Security Bank as set out in this return are subject to the provision of an agreement dated 20th January, 1931, whereby the Weyburn Security Bank will, subject to the provision of the Bank Act, will be acquired by the Imperial Bank of Canada.—Footnote to Weyburn Security Bank return.

Canadian Pulp and Paper Industry

ABITIBI PAPER'S COMMON PROFITS TOTAL 47 CENTS

$8.18 is Earned on 6 Per Cent Preferred Shares

WORKING CAPITAL UP

Bank Loans Higher; Provincial Paper Results Are Consolidated With Those of Parent

Abitibi Power & Paper Corp. net profits of $513,835 in 1930, after paying interest, preferred dividends and making deductions for depreciation and depletion and taxes, were equivalent to 47 cents a share on 1,088,117 no par value common shares outstanding as compared with $1.97 a share shown in 1929. The company had to provide an additional $245,000 to pay 7 per cent interest on cumulative preferred stock of Provincial Paper whose common stock had been obtained during the year and it had more interest than in 1929 to pay on account of taking over the additional $5,000,000 of Provincial Paper 5½ per cent first mortgage bonds due 1947. It had, of course, the additional earnings of Provincial Paper as well.

Net earnings after income tax amounted to $7,374,338 in 1930 as compared with $8,377,247 in 1929. Though on the usual basis of production provision for depreciation dropped from $1,713,211 to $1,666,524, funded debt charges advanced from $2,552,231 to $2,786,071. There was required $70,000 to meet 7 per cent interest on 10,000 shares of preferred stock, and actual earnings on this were equivalent to $292.17 a share as against $411.18 a share in 1929. Earnings on 348,818 shares 6 per cent cumulative preferred was equivalent to $8.18 a share as against $11.59 in 1929 and $7.95 in 1928.

Earned surplus of Abitibi Power & Paper Co. at the outset of 1930, including that of Provincial Paper was $61,595,530. The addition of $513,835 in 1930 brought the amount to $62,109,365 which was, however, reduced to $61,609,365 by transferring $500,000 to investment reserve.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT

Years Ended Dec. 31

	1930 $	1929 $
Net earnings†	7,374,337	8,377,247
Less: Depreciation	1,666,524	1,713,211
Bond & other int.	2,786,070	2,552,231
Net profit	2,921,743	4,111,805
Less: dividends:		
7% preferred	70,000	70,000
6% preferred	2,092,908	2,092,908
Prov. Pap. pfd.	245,000	......
Surplus for year	513,835	1,948,897
Add: Prev. surplus	61,595,630	59,145,391
Trans. to res.	500,000	......
Bal. carr. forward	61,609,365	61,094,288

†After income tax.

Owing to the acquisition of all the common stock of Provincial Paper and the consolidation of accounts of the two companies fixed assets of the company increased by $8,819,528 on this account and by another $1,334,434 for expenditures on capital additions during the year, making the total increase $10,153,962.

Alexander Smith, president, said in part:

"The curtailment of operations during the year, due to the unexpected severity of the business depression in 1930, has resulted in higher inventories, the liquidation of which is receiving the continuous attention of your management....

"Conditions in the newsprint industry continue to reflect the results of the serious over-capacity which has been installed in recent years. These results have been gravely accentuated by the general business depression. It is hopeless to note, however, that for the first time in many years there are no new Canadian newsprint projects in sight and, so far as we know, no new machines in contemplation by existing Canadian companies. From now on, if we may judge from past experience, any improvement in general business conditions will be substantially reflected in the newsprint industry."

Mr. Smith referred to the progress also being made on the development of the Canyon Power site on the Abitibi river where it is expected to have 275,000 horsepower installed capacity ready by October 1, 1932. When completed this will bring the company's developed water power resources to 500,000 horse power.

Working Capital Gains

Working capital increased during the year from $12,593,295 to $14,742,538. Current assets of $21,783,556 were 3.04 times current liabilities of $7,241,018 whereas at the end of 1929 current assets of $17,377,339 were 3.63 times current liabilities of $4,784,044.

The greatest change in current assets was the increase in inventories from $11,205,447 to $15,273,825. Cash on hand and in bank had also increased from $1,215,954 to $2,067,710. Accounts receivable and cash deposits on timber limits declined from $4,955,938 to $3,749,691 but there was also an item of marketable bonds at $892,330 which was not in the preceding balance sheet.

In current liabilities the greatest change was one of bank loans from $1,750,000 at the end of 1929 to $4,500,000 at the end of 1930. Accounts and bill payable fell from $2,269,480 to $1,872,984. Bond interest accrued showed an increase of $40,000 and dividends payable an increase of $64,000.

Investments in capital stocks of an advance to other companies are shown at $2,581,636, less a reserve created of $500,000, leaving this item at $2,081,636 as compared with the total at the end of 1929 of $1,219,280.

Depreciation and depletion reserve now stands at $27,319,327 as compared with $24,350,464 a year earlier, and general and contingent reserve at the same time was increased from $1,452,307 to $2,557,128.

Total assets are shown at $193,409,283 with fixed assets making up $169,000,625 of this.

In representing common shares and surplus at $61,609,365 on the balance sheet it is explained that this is divided as follows: earned surplus $18,592,125, common stock account $18,964,935 and capital surplus $24,052,305.

Contingent liabilities of $7,210,858 are contractual obligations of General Power & Paper Co. in connection with its purchase of Thunder Bay Paper Co. and obligation in connection with subscription for shares of Newsprint Bond & Share Co.

Deferred liabilities of $300,645 include $210,645 for purchase money obligations payable over 16 years and $90,000 payable over two years.

WORKING CAPITAL

	1930 $	1929 $
Current assets	21,983,556	17,377,339
Current liabs.	7,241,017	4,784,044
Working capital	14,742,539	12,593,295
Ratio	3.03—1	3.63—1

Release of Statements Reveals Inroads Made On Newsprint Operations

Lower Earnings Reflect Ill-Effects of Expansion

FUTURE UNPROMISING

Current Operations Continue Unsatisfactory With Scaling Down of Prices Likely

From Our Own Correspondent

MONTREAL.—Publication of the financial statements for 1930 of Canada Power & Paper Corp. and Abitibi Power & Paper Co., shows results which reflect more or less closely conditions which exist within the industry as a whole—limited earning power following upon installation of an unnecessarily large number of newsprint machines.

Canada Power & Paper's report is of particular interest, inasmuch as it represents the consolidated returns of a number of producers, which, collectively, represent the largest amount of newsprint tonnage in control of one organization.

During 1929 this company reported a profit from operations and income from investments of $8,604,728. For the past year income on the same basis was equal to $6,184,955. Not only has there been a decrease of roughly $2,400,000 in earnings, but the 1930 figure includes the 8 months income of Anglo-Canadian Pulp and Paper Mills, which was not included in the preceding year's returns. Eliminating Anglo-Canadian, therefore, the result is even more discouraging than is indicated by a direct comparison of figures.

Outside Income Helps

Abitibi's earnings are not as significant as those of Canada Power, in that the former receives a substantial revenue from its fine paper subsidiary, Provincial Paper. Had returns been segregated, it would have been possible to determine approximately to what extent Abitibi's earnings from newsprint have been limited by unsatisfactory marketing conditions during the past year.

A common feature of the financial statements of these two companies—two of the leading newsprint manufacturers in the Dominion—is the marked increase in inventories. Canada Power's for example, increased from $19,968,685 to $21,679,829. What part of this gain is due to the absorption of Anglo-Canadian is not known, as the former never issued a public statement. In the case of Abitibi, inventories advanced in value from $11,205,447 to $15,273,825—a greater actual and percentage increase than was recorded by Canada Power.

Operations are Disappointing

The striking feature of Canada Power's annual statement was that operations were carried on in 1930 at 56 per cent of capacity, as against 77 per cent in 1929, but that operations for the current year were averaging approximately 43 per cent.

This statement takes on added significance with a realization of the fact that the company is a member of the Newsprint Institute of Canada, whose primary function is to distribute business on a pro rata basis. Other members of this organization, include Abitibi, St. Lawrence, Price Bros., etc. Between them they control approximately 70 per cent of the total newsprint machine capacity in Canada.

If Canada Power has experienced such a sharp falling off in operations for the first two months of 1931, it is a logical conclusion that other members are not faring any better.

For more than ten weeks past surveys of advertising in American newspapers show that linage has fallen off as compared with more than a year ago. With schedules already made up for first half of this year, it is obvious that the producers cannot expect demand to be maintained at the same level as a year ago. In other words consumption of newsprint during the first half of 1931 is likely to be appreciably below that of the same months of last year.

What this means in dollars and cents to the Canadian manufacturers is apparent by an examination of the 1930 income accounts of Canada Power and Abitibi. After paying expenses bond interest and preferred dividends the former reported a net loss of $451,229, without providing for depreciation and depletion for which $2,521,878 was written off in 1929. Abitibi's showing was better, a surplus of $513,836 being reported.

If the decline in Canada Power's operations this year can be taken as indicative of the situation surrounding other Institute companies, deficits are likely to reach large proportions in 1931.

Price is Problem

On top of this, the manufacturers—irrespective of their affiliations—are faced with the pressing problem of maintaining the price of newsprint. For several weeks past there have been determined efforts by the American publishers to secure a readjustment of contract prices on the grounds that the law of supply and demand does not warrant the present scale of prices.

It is reliably reported that some of the Eastern publishers are now holding back $3 a ton which amount it would appear is their idea of the reduction which should be made. As far as can be ascertained none of the Canadian producers have cut the contract price. But if the publishers are allowed to keep the $3 a ton holdback the result is just the same as if the contract price had been lowered.

It stands to reason that the Canadian newsprint companies will make every effort to hold the present price schedule. It is vitally necessary in view of the limited operations and still further declines in consumption of newsprint otherwise the majority of manufacturers will be faced with a situation far worse than in 1930.

Claim Price Cut Is Now in Effect

From Our Own Correspondent

MONTREAL.—Cranston Williams, secretary and manager to the Southern Newspaper Publishers Association, is reported as stating that a cut of $3 a ton has been allowed by Powell River Co. to its customers and that contracts at prices below $55.20 a ton have been in effect some time.

A five-year contract from January 1, 1931, to December 31, 1935, is being offered to customers of the Great Northern Paper Co., Mr. Williams also informed his association. The official price quoted is $55.20 at the mill, but the price actually written in the contract is a delivered price under the zone plant in effect generally east of the Mississippi.

CANADA POWER PROFITS REVEAL SHARP DECLINE

Loss of $451,229 Before Provision for Depreciation

From Our Own Correspondent

MONTREAL.—General conditions in the newsprint industry found reflection in earnings of Canada Power and Paper Corp. for 1930. During the year operations were carried on at about 56 per cent of capacity as opposed to 77 per cent in 1929 and profits and income from operations and investment declined $2,419,768 to $6,184,955.

This sum was sufficient to cover subsidiary companies' bond interest and Canada Power and Paper debenture interest, but after payment of dividends on preferred shares of subsidiary companies there remained a deficit of $451,229.

No Depreciation Charged Off

No provision was made last year for depreciation and depletion. In 1929 the sum of $2,521,878 was written off on this account and it is pointed out in the current report that if usual depreciation and depletion charges had been made, the loss for 1930 would have been $2,382,039. In 1929 earnings, after all charges were equal to 10 cents a share on the common.

During the current year capital payments, it is pointed out, of $5,748,641 will be required of which $4,429,882 is on behalf of the Laurentide Co. Directors have authorized creation of a bond issue of $15,000,000 6 per cent first mortgage bonds on the property of Laurentide Co. and these bonds have been made available for banking purposes.

The current report includes operations of Anglo-Canadian Pulp and Paper Mill for the last eight months of the year.

Profit and Loss Account

Following is a comparison of profit and loss accounts for the past three years:

	1930 $	1929 $
Gross income	6,184,955	8,604,723
Less: Interest	4,886,185	4,186,937
Net profit	1,298,770	4,417,785
Depreciation	......	2,521,878
	1,298,770	1,895,907
Dividends*	1,750,000	1,769,999
Surplus	†451,229	125,907
Br't. forward	3,236,393	......
Less: Adjust.	370,834	......
Excess of book value certain invest. over market value	4,717,795	......
	7,696,535	

*On preferred and common of subsidiary companies.
†Deficit.

Bank Loans Higher

Features of the balance sheet are an increase of nearly $7,000,000 in bank loans, and a writing down in investments which now are carried at $6,381,042, representing market value at December 31, 1930. A deduction from surplus of $4,717,795 has been made to cover this. A large portion of the company's investments represent shares of Shawinigan Water and Power Co.

Working capital has dropped from $27,338,471 to $11,470,712 with current assets of $33,664,226 and current liabilities of $22,193,514. Changes in current assets include accounts receivable at $4,777,125 down from $5,842,615. Inventories stand the company at $21,679,829 an increase of about $1,700,000, while investments in, and advances to, associated companies are valued at $6,240,479.

Write Down Investments

Investment securities are valued at $6,381,042 as compared with $13,259,920 which figure included advances to associated companies in the 1929 report. Cash is slightly lower at $826,228. Call loans and bonds to retire Wayagamack funded debt which in 1929 amounted to $1,500,000 have been eliminated. Acquisition of Anglo-Canadian Pulp and Paper Mills is reflected in property account which totals $172,425,283 an increase of $24,769,000.

In liabilities, accounts payable are higher by $432,000 at $3,316,282. Bank loans total $14,558,000 as compared with $7,903,750 and accrued interest and dividends amount to $2,376,283 as opposed to $1,627,934. Capital liabilities, of which $1,385,000 was due and paid in January, 1931, total $5,748,641 an increase of $12,000 over 1929.

Funded Debt Higher

Funded debt now stands at $94,762,405, as compared with $83,168,150 at the end of 1929. The company's own debentures which are included in this figure are still outstanding to the extent of $35,466,700. Bonds and debenture stock of subsidiaries, however, have risen from $46,201,451 to $59,295,705 and preferred stock of subsidiaries now stands at $32,000,000 an increase of $8,000,000.

During the year an additional 303,750 common shares of the corporation were issued bringing the total to 1,521,750 shares. Capital and surplus is now carried at $41,473,789 as compared with $46,851,766. The decline includes the loss of $451,229 for the year and the deduction of $4,717,795 on account of writing down value of investments with other adjustments.

Contingent liabilities include notes of General Power and Paper Co., owned jointly with Abitibi Power and Paper Co. for purchase of Thunder Bay Paper Co., endorsed for $5,348,588 a reduction of $1,000,000; dividends on Anglo-Canadian Pulp and Paper Co. preferred stock of $420,000 and bills under discount of $189,550.

In his remarks to shareholders, J. H. Gundy, president of the company said in part:

"During the year your corporation accepted an offer from the majority shareholders of Anglo-Canadian Pulp & Paper Mills, for an exchange of shares on the basis of two and one-quarter shares of your corporation for each common share of Anglo-Canadian Pulp & Paper Mills. In accepting this offer your corporation subrogated itself in the guarantee of the bond interest and preferred dividends of Anglo-Canadian Pulp & Paper Mills. To ensure the due carrying out of such agreement the majority of shares mentioned above are deposited, subject to reversion, with Montreal Trust Co.

"The company's bank loans at the end of the year stood at $14,558,000. During the current year, capital payments of $5,748,641.79 are required, of which $4,429,882.09 are on behalf of the Laurentide Co. Your directors, therefore, have deemed it necessary to authorize the creation of an issue of bonds on the property of the Laurentide Co. which bonds have been made available for banking purposes. Your corporation finds itself under the necessity of exerting every effort to conserve its resources. With this in view, steps have been taken to defer the dividends on the preferred stocks of subsidiary companies."

MOORE CORP. NET DROPPED IN YEAR, DIVIDENDS EARNED

Working Capital is Down Slightly But Cash is Higher

Net profits of $742,355 of Moore Corp. for 1930 were sufficient to pay $14.96 a share of $100 par value on $3,287,100 of 7 per cent cumulative preferred "A" stock and $1,675,900 of 7 per cent preferred "B" stock combined and $1.26 a share on 313,971 no par value common shares on which actual payments are at the rate of $1 a share, leaving a surplus of $81,241 for the year. Net profits in 1929 were equal to $22.92 on the combined total of 30,538 shares of 7 per cent preferred "A" stock and 16,759 shares of 7 per cent preferred "B" stock and $2.54 a share on 292,736 no par value common shares then outstanding.

The increase in preferred and common shares outstanding during the year is the result of the fact that on January 2, 1930, 2,259 shares of preferred "A" stock, 1,284 shares of preferred "B" stock and 19,265 shares of common stock were given in payment for the business acquired from F. N. Burt Co., and also because 105 preferred shares and 51 common shares of subsidiary companies that were shown at the end of 1929 as not exchanged for Moore Corp. stocks have since all been turned in.

Exchanging for Common

The totals of "A" and "B" preferred stocks are less and of common stock larger than these exchanges would account for because both "A" and "B" stocks are convertible into common stock and a number of shareholders availed themselves of this privilege during 1930.

The provision made for depreciation at $396,462 in 1930 compares with $354,045, but on account of the lower profits in 1930 the provision for federal taxes dropped from $125,219 to $79,647, the decrease in one item practically cancelling the increase in the other. An item of $11,417 paid on shares of subsidiaries not exchanged in 1929 was not needed in 1930.

Working capital is down slightly from $3,022,632 to $2,925,893. Though current assets are down from $3,762,067 to $3,434,495, cash advanced from $483,958. Accounts and bills receivable were lower by about $80,000 at $1,542,854, loans secured by collateral down by nearly $200,000 at $411,400 and inventories lower by nearly $100,000 at $946,555.

Has Ten Subsidiaries

Investments in associated companies are shown at $1,182,544, slightly lower.

Current liabilities dropped in 1930 from $739,435 to $508,602. The lower level was occasioned by a decline in accounts payable of more than $200,000 to $244,629 and a lower reserve for federal taxes.

By operations of sinking funds, American Sales Book Co. 6 per cent first mortgage bonds due 1939, fell from $738,000 to $660,000 and Pacific Burt Co. 6½ per cent first mortgage bonds due 1937 from $215,500 to $204,500.

Earned surplus increased from $454,584 to $535,825.

The company now has ten subsidiaries engaged in various aspects of its general business of manufacturing and supplying Canada and the United States with sales books, manifold books and forms, Flatpakit autographic registers and continuous business forms.

CONSOLIDATED INCOME AND SURPLUS ACCOUNT

Years Ended Dec. 31

	1930 $	1929 $
Net earnings	1,274,001	1,618,766
Less: Int. on sub. cos. bonds	55,537	61,568
Depreciation	396,462	354,045
Income tax	79,647	125,219
Net profit	742,355	1,072,934
Less appropriations:		
Divs. paid on sub. cos. stock not yet exch. and portion of surp.	......	11,407
Pref. "A" div.	229,873	208,295
Pref. "B" div.	117,693	109,657
Common div.	313,548	288,991
Surplus for year	81,241	454,584
Prev. surplus	454,583	......
Bal. carr. forward	535,824	464,584

WORKING CAPITAL

	1930 $	1929 $
Current assets	3,434,494	3,762,067
Current liabs.	508,602	739,435
Working capital	2,925,892	3,022,632
Ratio	6.75—1	5.09—1

Maritime Seed Growers Meet

At a recent conference of a number of Maritime seed growers at Amherst, a Maritime Seed Committee was formed to organize for exhibits at the World's Grain Show in Regina during the summer of 1932.

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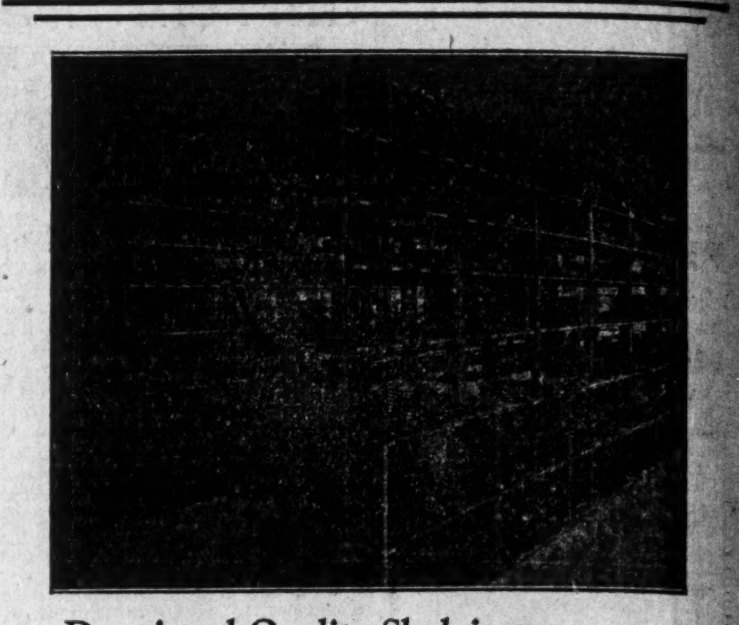

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